

Sekisui House, Ltd.

**April 1, 2021**

Toshinori Abe  
Chairman & Representative Director  
Sekisui House, Ltd.  
1-88, Oyodonaka 1-chome, Kita-ku, Osaka

## NOTICE OF THE 70TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deep appreciation to each of the shareholders for your extraordinary support.

The 70th Ordinary General Meeting of Shareholders of Sekisui House, Ltd. (the “Company” or “Sekisui House”) is to be held as stated below.

**Instead of attending the meeting in person, you may also review the enclosed “Reference Documents for General Meeting of Shareholders” and exercise your voting rights in writing or via the Internet by 6:00 p.m. on Monday, April 26, 2021.** (Unless otherwise noted, all the times shown in this Notice are in Japan Standard Time.)

- 1. Date and Time:** 10:00 a.m., Tuesday, April 27, 2021
- 2. Place of the Meeting:** The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka, Japan
- Note:  
If the Rose Room exceeds its maximum occupancy, the Company will guide shareholders to a second venue or another location. We appreciate your understanding.
- 3. Agenda:**
- Items for reporting:**
1. Reports on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 70th fiscal year (February 1, 2020 – January 31, 2021)
  2. Report on the Results of Audit conducted by the Accounting Auditor and the Audit & Supervisory Board with respect to the Consolidated Financial Statements for the 70th fiscal year (February 1, 2020 – January 31, 2021)
- Proposals to be tabled:**
- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Appropriation of Surplus                              |
| <b>Proposal No. 2</b> | Partial Amendments to the Articles of Incorporation   |
| <b>Proposal No. 3</b> | Election of Ten (10) Directors                        |
| <b>Proposal No. 4</b> | Election of Two (2) Audit & Supervisory Board Members |

---

[**Translation:** Please note that this document purports to be a translation from the Japanese original Notice of the 70th Ordinary General Meeting of Shareholders of Sekisui House, Ltd. prepared for the convenience of non-Japanese readers. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain statements regarding voting procedures for domestic shareholders are not applicable to the shareholders outside Japan.]

#### 4. Guidelines of the Exercise of Voting Rights:

Please exercise your voting rights after reviewing the Reference Documents for General Meeting of Shareholders.

In addition to attending the General Meeting of Shareholders in person, the following two methods are available for exercising your voting rights.

This year, in order to prevent the spread of COVID-19, we would like to ask you to exercise your voting rights in advance in writing or via the Internet as shown below.

In writing
Exercise deadline: Votes must be received by 6:00 p.m. on Monday, April 26, 2021
Please indicate on the enclosed voting form whether you approve or disapprove the proposals listed, and return it so that your vote is received by the exercise deadline above.

Via the Internet
Exercise deadline: The exercise of a voting right via the Internet, must be completed by 6:00 p.m. on Monday, April 26, 2021.
Please see the next page for details.

#### Handling of votes when voting rights are exercised more than once

- (1) In case that a voting right is exercised both in writing and via the Internet, only the vote registered via the Internet will be recognized as valid.
- (2) In case that a voting right is exercised more than once via the Internet, only the last vote will be recognized as valid.

<ul style="list-style-type: none"><li>• The “Outlines of Stock Acquisition Rights” in the Business Report, the “List of Notes to Consolidated Financial Statements” in the Consolidated Financial Statements, and the “List of Notes to Non-Consolidated Financial Statements” in the Non-Consolidated Financial Statements are provided to shareholders by posting them on <b>the Company’s website</b> pursuant to the relevant laws and regulations, and Article 16 of the Articles of Incorporation of the Company. Note that the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit &amp; Supervisory Board Members and the Accounting Auditor, and the documents which are set out in the attached documents to this Notice are published on <b>the Company’s website</b>.</li><li>• In the event that it becomes necessary to revise any item in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements, the revised items will be posted on <b>the Company’s website</b> on the Internet.</li></ul> <p><b>The Company’s website</b>     <a href="https://www.sekisuihouse.co.jp/english/company/financial/holders/meeting/index.html">https://www.sekisuihouse.co.jp/english/company/financial/holders/meeting/index.html</a></p>
--

---

\* If attending the meeting in person, please submit the enclosed voting form to the receptionist at the meeting.

\* The results of the resolution at the General Meeting of Shareholders will be posted on the Company’s website.

## Guidelines regarding the exercise of a voting right via the Internet:

The exercise of a voting right via the Internet, must be completed by 6:00 p.m. on Monday, April 26, 2021.

- (1) Access the website for exercising votes using QR code:
  - i) By scanning the QR code shown on the voting form, you can log in to the website for exercising votes without the log-in ID and temporary password shown on the form.

\*The “QR code” is a registered trademark of DENSO WAVE INCORPORATED

- ii) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

\* Log-in using the QR code is available once only. If you wish to exercise your voting rights again, please follow the instructions below.

- (2) Access the website for exercising votes using the log-in ID and temporary password:

- i) Please access the website using the following URL.

<https://evote.tr.mufg.jp/>

- ii) Log in using the log-in ID and temporary password which are shown on the voting form and press the login button.
  - iii) Please enter a new password and press the send button.
  - iv) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

Depending on the Internet connection of your computer, smart phone or mobile phone, the website for exercising votes may not be available.

- (3) Inquiries regarding the exercise of a voting right via the Internet:

Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Service Support: 0120 (173) 027 * Business Hours: from 9:00 a.m. to 9:00 p.m. (toll free; within Japan only)
--

- (4) To institutional investors  
Institutional investors are entitled to use the Electronic Voting Platform operated by ICJ to electronically exercise your voting rights for this General Meeting of Shareholders.

---

\* The service is available in Japanese only.

## Reference Documents for General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1: Appropriation of Surplus

The Company proposes to appropriate surplus as stated below.

1. Matters related to year-end dividends:

In view of profit situation and dividend policy, the Company proposes that a year-end dividend of ¥39 per share be paid for the fiscal year under review. Since the Company paid an interim dividend of ¥45 per share on September 30, 2020, the annual dividend for the fiscal year under review totals ¥84 per share.

(1) Type of dividend property:

Cash

(2) Matters related to the appropriation of dividend property and total amount thereof:

¥39 per common share of the Company      Total amount: ¥26,562,993,249

(3) Date on which dividends take effect:

April 28, 2021

2. Other matters related to the appropriation of surplus:

For the purpose of strengthening management bases for active future business development, the Company proposes to appropriate a portion of surplus according to the schedule shown below.

(1) Item of surplus to be increased and amount thereof:

General reserve:      ¥15,000,000,000

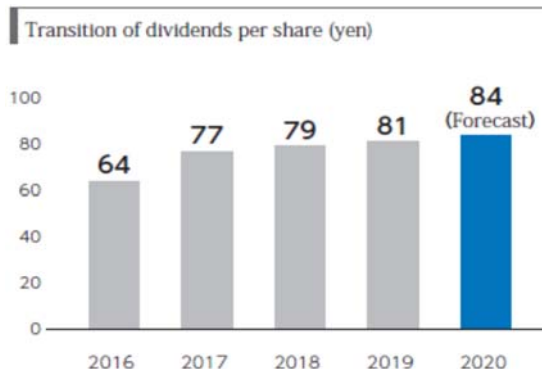
(2) Item of surplus to be decreased and amount thereof:

Retained earnings brought forward:      ¥15,000,000,000

#### (Reference) Basic Policy on Profit Distribution

The Company recognizes the maximization of shareholder value as one of the most important management issues. Accordingly, the Company will not only increase earnings per share through sustainable business growth, but also promote growth investments and enhance shareholder returns, comprehensively taking into account the status of profits and cash flows in each fiscal year and future business development, among other factors.

The Company will also make efforts to increase shareholder value by targeting at least a 40% average dividend payout ratio over the medium-term and by acquiring its treasury stock in a flexible manner.



**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for the amendments

- (1) In order to maintain an adequate corporate governance system through promoting the assignment of authority over the execution of business operation matters, as well as facilitating constructive discussions of the Board of Directors and accelerating its decision-making process, the Company will set a limit on the maximum number of its Directors, amending Article 19 (Number of Directors) of the Articles of Incorporation.
- (2) In order to enhance information sharing and maintain flexible auditing activities by the Audit & Supervisory Board, and in consideration of the balance with the maximum number of Directors, the Company will set a limit on the maximum number of Audit & Supervisory Board Members, amending Article 28 (Number of Audit & Supervisory Board Members) of the Articles of Incorporation.

2. Amendment details

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed amendments
<p>(Number of Directors)</p> <p>Article 19. There shall be <u>3</u> or <u>more</u> Directors of the Company.</p>	<p>(Number of Directors)</p> <p>Article 19. There shall be <u>12</u> or <u>fewer</u> Directors of the Company.</p>
<p>(Number of Audit &amp; Supervisory Board Members)</p> <p>Article 28. There shall be <u>3</u> or <u>more</u> Audit &amp; Supervisory Board Members of the Company.</p>	<p>(Number of Audit &amp; Supervisory Board Members)</p> <p>Article 28. There shall be <u>7</u> or <u>fewer</u> Audit &amp; Supervisory Board Members of the Company.</p>

**Proposal No. 3: Election of 10 Directors**

The terms of office of all 12 current Directors will expire at the close of this Ordinary General Meeting of Shareholders.

The Company proposes to elect 10 Directors, including four Outside Directors, to further strengthen the management supervision function of the Board of Directors and the corporate governance system by raising the ratio of its Independent Outside Directors.

The candidates for Director are as follows:

No.	Name	Gender	Current post in the Company	Number of years in office as Director (at the close of this Meeting)	Attendance at the meetings of the Board of Directors (70th)
1	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Yoshihiro Nakai	Male	President & Representative Director	5 years	13/13 (100%)
2	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Yosuke Horiuchi	Male	Director Senior Managing Officer	5 years	13/13 (100%)
3	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Kunpei Nishida	Male	Director Senior Managing Officer	7 years	13/13 (100%)
4	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Satoshi Tanaka	Male	Outside Director	1 year	9/9 (100%)
5	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Toshiharu Miura	Male	Director Senior Managing Officer	3 years	13/13 (100%)
6	<span style="border: 1px solid black; padding: 2px;">Reelection</span> Toru Ishii	Male	Director Senior Managing Officer	1 year	9/9 (100%)
7	<span style="border: 1px solid black; padding: 2px;">Reelection</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent Officer</span> Yukiko Yoshimaru	Female	Outside Director	3 years	13/13 (100%)
8	<span style="border: 1px solid black; padding: 2px;">Reelection</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent Officer</span> Toshifumi Kitazawa	Male	Outside Director	1 year	9/9 (100%)
9	<span style="border: 1px solid black; padding: 2px;">New Election</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent Officer</span> Yoshimi Nakajima	Female	–	–	–
10	<span style="border: 1px solid black; padding: 2px;">New Election</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent Officer</span> Keiko Takegawa	Female	–	–	–

Reelection: candidate for Director to be reelected


New Election: candidate for Director to be newly elected

Outside: candidate for Outside Director

Independent Officer: candidate for Independent Officer stipulated by the Tokyo Stock Exchange, Inc.


No.	Name	Knowledge, experience and abilities particularly expected of each Director					
		Corporate management Business strategy	International business Overseas insight	Finance strategy and accounting	Technology and quality Environment	Human resources development Diversity Improvement in sociability	Governance Risk management Compliance
1	Yoshihiro Nakai	●		●		●	●
2	Yosuke Horiuchi	●		●		●	
3	Kunpei Nishida	●					●
4	Satoshi Tanaka	●	●		●	●	●
5	Toshiharu Miura	●			●		●
6	Toru Ishii	●	●			●	
7	Yukiko Yoshimaru	●	●			●	●
8	Toshifumi Kitazawa	●	●	●			●
9	Yoshimi Nakajima	●	●	●		●	
10	Keiko Takegawa				●	●	●

\* This chart indicates certain knowledge, experiences, and abilities which the Company particularly expects each candidate to have for his/her duties, not necessarily what each candidate currently has in fact.

<b>Candidate No. 1</b>	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	5 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None
<b>Yoshihiro Nakai</b>  (April 30, 1965) <u>Reelection</u> Number of Company's Shares owned 43,280 shares	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1988: Joined the Company</p> <p>Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Corporate Management Planning Department</p> <p>Apr. 2016: Managing Officer of the Company, in charge of Corporate Management Planning and Accounting &amp; Finance</p> <p>Apr. 2016: Director of the Company</p> <p>Feb. 2018: President &amp; Representative Director of the Company (current position)</p> <p><b>Reason for election as Director</b></p> <p>In the Corporate Management Planning Division, he exercised his outstanding conceptual ability and has realized many innovative sales strategies and management policies involving sales offices nationwide, regardless of whether they are in the housing or non-housing sector. He took office as Director of the Company in 2016, and he has served as President &amp; Representative Director of the Company since 2018, playing a central role in formulating and implementing the Group's management strategies and plans.</p> <p>In particular, since assuming the post of President in the second year of the Fourth Mid-Term Management Plan, he has focused on aligning the vectors of the Group with the Corporate Philosophy as a compass, and by strengthening the corporate governance system and promoting ESG management, he contributed to achieving record-high net sales and operating income in the final year of the plan (fiscal year ended January 31, 2020).</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group under his strong leadership, the Company proposes to reelect him as a Director.</p>		
<p>Note:</p> <p>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</p> <p>Mr. Yoshihiro Nakai will be included as the insured of the said insurance contract.</p>			




Candidate No. 2	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	5 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None
<p><b>Yosuke Horiuchi</b></p>  <p>(September 25, 1956) <u>Reelection</u> Number of Company's Shares owned 21,500 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1980: Joined the Company</p> <p>Apr. 2012: Executive Officer of the Company, assigned to the post of General Manager of Tokyo Sha Maison Sales Administration Headquarters</p> <p>Apr. 2014: Managing Officer of the Company, in charge of Sha Maison Sales (East Japan)</p> <p>Apr. 2016: Director of the Company (current position)</p> <p>Dec. 2017: Assigned to the post of General Manager of Tokyo Sha Maison Sales Administration Headquarters and General Manager of Condominium Headquarters</p> <p>Apr. 2018: Senior Managing Officer of the Company (current position) In charge of Transaction Promotion Division, assigned to the post of General Manager of East Japan Building Sales Administration Headquarters</p> <p>Aug. 2018: In charge of Transaction Promotion Division and East Japan Building Sales Administration</p> <p>Feb. 2020: In charge of Investor Relations Division and Transaction Promotion Division</p> <p>Jun. 2020: In charge of ESG Management Promotion Division, Accounting &amp; Finance Division and Transaction Promotion Division</p> <p>Feb. 2021: In charge of Finance &amp; ESG Division and TKC Project (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>President &amp; Representative Director of Sekisui House Financial Services Co., Ltd.</p>		
	<p><b>Reason for election as Director</b></p> <p>He has taken control of the business based on “Sha-Maison” rental housing in eastern Japan, and has contributed to the development of the three- and four-story rental housing market by leading the area market strategy that is dedicated to responding to the local tenant market. After assuming the position of Director in 2016, he has promoted the expansion of the customer base through means such as strengthening the corporate real estate (CRE) and public real estate (PRE) businesses.</p> <p>Since 2020, he has overseen the ESG Management Promotion Division, Accounting &amp; Finance Division, including IR, and is working to enhance the Group’s social value through collaboration with diverse stakeholders.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in strongly promoting the realization of ESG management, the Company proposes to reelect him as a Director.</p>		
<p>Note:</p> <p>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</p> <p>Mr. Yosuke Horiuchi will be included as the insured of the said insurance contract.</p>			

<b>Candidate No. 3</b>	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	7 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None
<b>Kunpei Nishida</b>  (February 11, 1954) <u>Reelection</u> Number of Company's Shares owned 19,600 shares	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1976: Joined the Company</p> <p>Apr. 2012: Executive Officer of the Company, assigned to the post of General Manager of Kansai Sha Maison Sales Administration Headquarters</p> <p>Aug. 2012: Assigned to the post of General Manager of West Japan Sha Maison Sales Administration Headquarters</p> <p>Apr. 2014: Managing Officer of the Company, in charge of Sha Maison Sales (West Japan)</p> <p>Apr. 2014: Director of the Company (current position)</p> <p>Apr. 2018: Senior Managing Officer of the Company (current position)</p> <p style="padding-left: 20px;">Assigned to the post of General Manager of West Japan Building Sales Administration Headquarters</p> <p>Feb. 2019: In charge of West Japan Building Sales Administration, assigned to the post of General Manager of Broking and Leasing Business Headquarters</p> <p>Feb. 2020: Assigned to the post of General Manager of Broking and Leasing Business Headquarters (current position)</p> <p>Feb. 2021: In charge of Supplied Housing Business Division (current position)</p> <p><b>Reason for election as Director</b></p> <p>He has taken control of the business based on “Sha-Maison” rental housing in western Japan, and has contributed to the development of the three and four-story rental housing market by promoting the development of young human resources and strengthening plan proposal capabilities.</p> <p>Since assuming the position of Director in 2014, he has strongly promoted aligning the vectors of the Company's business activities through means such as Group collaboration meetings in order to enhance the Group's overall strength. From 2019, as the General Manager of Broking and Leasing Business Headquarters, he oversees governance reforms at each of the Sekisui House Real Estate companies, and leads collaboration with the Built-to-Order Business Division and other divisions.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in further strengthening collaboration between the Supplied Housing Business Division and the Built-to-Order Business Division, and the governance of Sekisui House Real Estate companies, the Company proposes to reelect him as a Director.</p>		
<p>Note:</p> <p>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</p> <p>Mr. Kunpei Nishida will be included as the insured of the said insurance contract.</p>			

Candidate No. 4	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	1 year	9/9 (attendance at the meetings of the Board of Directors: 100%)	None
<p style="text-align: center;"><b>Satoshi Tanaka</b></p>  <p style="text-align: center;">(February 27, 1958) <u>Reelection</u></p> <p>Number of Company's Shares owned 0 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1981: Joined MITSUI &amp; CO., LTD.</p> <p>Apr. 2004: General Manager of Investor Relations Division of MITSUI &amp; CO., LTD.</p> <p>Apr. 2007: General Manager of Corporate Planning &amp; Strategy Division of MITSUI &amp; CO., LTD.</p> <p>July 2010: Deputy General Manager of Consumer Service Business Unit of MITSUI &amp; CO., LTD.</p> <p>Apr. 2011: Executive Officer; General Manager of Consumer Service Business Unit of MITSUI &amp; CO., LTD.</p> <p>Apr. 2013: Managing Officer; General Manager of Consumer Service Business Unit of MITSUI &amp; CO., LTD.</p> <p>Apr. 2015: Senior Managing Officer; President of Asia Pacific Business Unit of MITSUI &amp; CO., LTD. and President of MITSUI &amp; CO. (ASIA PACIFIC) PTE. LTD.</p> <p>Apr. 2017: Vice President &amp; Executive Officer; CAO (Chief Administrative Officer); CIO (Chief Information Officer); CPO (Chief Privacy Officer) of MITSUI &amp; CO., LTD.</p> <p>June 2017: Representative Director; Vice President and Executive Officer of MITSUI &amp; CO., LTD.</p> <p>June 2019: Counselor of MITSUI &amp; CO., LTD. (current position)</p> <p>Mar. 2020: Outside Director of Kuraray Co., Ltd. (current position)</p> <p>Apr. 2020: Outside Director of the Company (current position)</p> <p>Jan. 2021: Outside Director of IHH Healthcare Berhad (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>Outside Director of Kuraray Co., Ltd.</p> <p>Counselor of MITSUI &amp; CO., LTD.</p> <p>Outside Director of IHH Healthcare Berhad</p>		
	<p><b>Reason for election as Director</b></p> <p>Having held key positions in a major general trading company, he has domestic and international management experience, as well as knowledge and experience in the energy and consumer service sectors. He served as the Vice President &amp; Executive Officer of the trading company from 2017 to 2019, and has experience as the officer responsible for the corporate staff divisions, including the positions of CAO, CIO, and CPO.</p> <p>He has also been an Outside Director of the Company since 2020 and serves as a member of the Personnel Affairs and Remuneration Committee.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group based on his extensive knowledge as a manager and his activities and contributions as an Outside Director of the Company, especially in strengthening the effectiveness of corporate governance and in enhancing the Administration and Personnel Division, the Company proposes to reelect him as a Director.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>The Company entered into an agreement with Mr. Satoshi Tanaka that if he causes damages to the Company by neglect of the duty as an Outside Director, where his conduct is deemed to be made in good faith without gross negligence, his liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act. In case the proposal is approved, he is scheduled to assume the position of Executive Director, and the Company will terminate the agreement with him at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the</li> </ol>			


execution of their duties or receiving claims related to the pursuit of such responsibility.  
Mr. Satoshi Tanaka will be included as the insured of the said insurance contract.

Candidate No. 5	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	3 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None
<p style="text-align: center;"><b>Toshiharu Miura</b></p>  <p style="text-align: center;">(October 16, 1955)</p> <p style="text-align: center;"><u>Reelection</u></p> <p>Number of Company's Shares owned 19,504 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1979: Joined the Company</p> <p>Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Product Design &amp; Development Department</p> <p>Apr. 2016: Managing Officer of the Company</p> <p>Apr. 2016: Assigned to the post of General Manager of Technology Headquarters and Chief Manager of Product Design &amp; Development Department</p> <p>Feb. 2018: Assigned to the post of General Manager of Technology Headquarters</p> <p>Apr. 2018: In charge of Technology Division</p> <p>Apr. 2018: Director of the Company (current position)</p> <p>Feb. 2020: In charge of Technology Division and Production &amp; Procurement Division</p> <p>Apr. 2020: Senior Managing Officer of the Company (current position)</p> <p>Feb. 2021: In charge of Technology &amp; Production Division (current position)</p>		
	<p><b>Reason for election as Director</b></p> <p>After holding a technical position at our sales office for approximately 10 years since joining the Company, he has worked as a core member of the technical team in the Planning &amp; Design Division and the Product Design &amp; Development Division at the Head Office, where he has been instrumental in developing new products and establishing new technologies that meet market needs. Since 2016, he has been in charge of the Technology Division, strengthening the collaborative capabilities of the entire division. In 2018, he was appointed as a Director, and since 2020, he has been in charge of the Technology Division and the Production &amp; Procurement Division.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the areas of technology, quality and the environment, as well as in strengthening our supply chain management, the Company proposes to reelect him as a Director.</p>		
<p>Note:</p> <p>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</p> <p>Mr. Toshiharu Miura will be included as the insured of the said insurance contract.</p>			

Candidate No. 6	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	1 year	9/9 (attendance at the meetings of the Board of Directors: 100%)	None
<p style="text-align: center;"><b>Toru Ishii</b></p>  <p style="text-align: center;">(November 3, 1966)  <span style="border: 1px solid black; padding: 2px;">Reelection</span>  Number of Company's Shares owned  15,566 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1990: Joined the Company</p> <p>May 2012: Chief Manager of Development Department of the Company</p> <p>Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Development Department</p> <p>Apr. 2016: Managing Officer of the Company</p> <p>Feb. 2019: In charge of Development Business and assigned to the post of Chief Manager of International Business Department</p> <p>Feb. 2020: In charge of Development and Condominiums Businesses and assigned to the post of Chief Manager of International Business Department</p> <p>Apr. 2020: Senior Managing Officer of the Company (current position) In charge of Development, Condominiums, and International Businesses</p> <p>Apr. 2020: Director of the Company (current position)</p> <p>Feb. 2021: In charge of Development Business Division (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>President &amp; Representative Director of SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED</p> <p>Chairman of SEKISUI HOUSE US HOLDINGS, LLC</p> <p>Chairman of NORTH AMERICA SEKISUI HOUSE, LLC</p> <p>Director of WOODSIDE HOMES COMPANY, LLC</p>		
	<p><b>Reason for election as Director</b></p> <p>Since joining the Company, he has experienced sales planning work in the urban development business and engaged in developing new markets such as the hotel development business and the office development business. Since 2012, he has been in charge of the development business, focusing on human resources development and demonstrating comprehensive capabilities in the Group. In overseeing the international business from 2019, he has focused on achieving a balance between investment and return, while actively taking on the challenge of developing new markets and strongly leading the entire organization.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in strengthening our development business and international business, as well as in enhancing the diversity and strengthening the governance system of our overseas subsidiaries, the Company proposes to reelect him as a Director.</p>		
<p>Note:</p> <p>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</p> <p>Mr. Toru Ishii will be included as the insured of the said insurance contract.</p>			

Candidate No. 7	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	3 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

<p><b>Yukiko Yoshimaru</b></p>  <p>(February 1, 1960)</p> <p>Reelection Outside Independent Officer</p> <p>Number of Company's Shares owned 5,600 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1982: Joined Oki Electric Industry Co., Ltd.</p> <p>Apr. 1998: Director of Oki America Inc. Head of New York Office of Oki Electric Industry Co., Ltd.</p> <p>Oct. 2004: Chief Manager of Diversity Development Office of NISSAN MOTOR CO., LTD.</p> <p>Apr. 2008: Joined Nifco Inc.</p> <p>June 2011: Executive Officer of Nifco Inc.</p> <p>Apr. 2018: Outside Director of the Company (current position)</p> <p>June 2019: Outside Director of Mitsui Chemicals, Inc. (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>Outside Director of Mitsui Chemicals, Inc.</p>
	<p><b>Reason for election as Outside Director and expected roles, etc.</b></p> <p>She has a wealth of knowledge and experience in human resource management and diversity, as well as management experience as a director of domestic and overseas companies. She has served as an Outside Director of the Company since 2018, and as the Chairperson of the Personnel Affairs and Remuneration Committee since 2020, she has contributed greatly to clarifying the process of selecting and dismissing Directors, succession planning, and strengthening remuneration governance.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including personnel affairs and remuneration, the Company proposes to reelect her as an Outside Director.</p>

Notes:


- Ms. Yukiko Yoshimaru is a candidate for Outside Director. The term of office of Ms. Yukiko Yoshimaru as Outside Director shall be three years at the conclusion of this Ordinary General Meeting of Shareholders.
- The Company designated Ms. Yukiko Yoshimaru as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
- The Company entered into an agreement with Ms. Yukiko Yoshimaru that if she causes damages to the Company by neglect of the duty as an Outside Director, where her conduct is deemed to be made in good faith without gross negligence, her liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with her.
- The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.


Ms. Yukiko Yoshimaru will be included as the insured of the said insurance contract.

Candidate No. 8	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	1 year	9/9 (attendance at the meetings of the Board of Directors: 100%)	None
<p><b>Toshifumi Kitazawa</b></p>  <p>(November 18, 1953)</p> <p>Reelection Outside Independent Officer</p> <p>Number of Company's Shares owned 0 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1977: Joined Tokio Marine &amp; Fire Insurance Co., Ltd.</p> <p>June 2008: Managing Director of Tokio Marine &amp; Nichido Anshin Life Insurance Co., Ltd.</p> <p>June 2009: Senior Managing Director of Tokio Marine &amp; Nichido Anshin Life Insurance Co., Ltd.</p> <p>June 2010: President &amp; Director of Tokio Marine &amp; Nichido Anshin Life Insurance Co., Ltd.</p> <p>June 2010: Director of Tokio Marine Holdings, Inc.</p> <p>Apr. 2014: Vice President &amp; Director of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>June 2014: Vice President Executive Officer of Tokio Marine Holdings, Inc.</p> <p>Apr. 2016: President &amp; Chief Executive Officer of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>June 2016: Director of Tokio Marine Holdings, Inc.</p> <p>Apr. 2019: Vice Chairman &amp; Director of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. (current position)</p> <p>June 2019: Member of the Board of Directors (Outside) (Member of the Audit &amp; Supervisory Committee) of MUFG Bank, Ltd. (current position)</p> <p>June 2019: Outside Director of Mitsubishi Logistics Corporation (current position)</p> <p>Apr. 2020: Outside Director of the Company (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>Vice Chairman &amp; Director of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</p> <p>Member of the Board of Directors (Outside) (Member of the Audit &amp; Supervisory Committee) of MUFG Bank, Ltd.</p> <p>Outside Director of Mitsubishi Logistics Corporation</p> <p><b>Reason for election as Outside Director and expected roles, etc.</b></p> <p>Having held key positions at a major insurance company, he has extensive knowledge and experience in areas including global business, M&amp;A, risk management and compliance, as well as abundant achievements and experience as a manager. He has contributed greatly to constructive discussions and strengthening of the effectiveness of the Board of Directors.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspective of global business, and in strengthening the management supervision function in areas including M&amp;A and other financial strategies, risk management and compliance, the Company proposes to reelect him as an Outside Director.</p>		
	<p>Notes:</p> <ol style="list-style-type: none"> <li>The Company has business relationships as a policyholder and nonlife insurance agent with Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. where Mr. Toshifumi Kitazawa serves as a Director, but the annual amount of business transactions between the companies is less than 1% of the ordinary income of Tokio Marine Holdings, Inc., which is the holding company of Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. and the consolidated net sales of the Company.</li> <li>MUFG Bank, Ltd., where Mr. Toshifumi Kitazawa serves as a Member of the Board of Directors (Outside) (Member of the Audit &amp; Supervisory Committee), is a major shareholder of the Company and also a major lender to the Company. However, because Mr. Kitazawa is not an executive of MUFG Bank, Ltd. or a former employee of MUFG Bank, Ltd., the Company deems that there is no risk of conflict of interest with general shareholders.</li> <li>Mr. Toshifumi Kitazawa is a candidate for Outside Director. The term of office of Mr. Toshifumi Kitazawa as an Outside Director shall be one year at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>The Company designated Mr. Toshifumi Kitazawa as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.</li> <li>The Company entered into an agreement with Mr. Toshifumi Kitazawa that if he causes damages to the Company by neglect of the duty as an Outside Director, where his conduct is deemed to be made in good faith without gross negligence, his liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with him.</li> </ol>		



6. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.  
Mr. Toshifumi Kitazawa will be included as the insured of the said insurance contract.

Candidate No. 9	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	–	–	None
<p><b>Yoshimi Nakajima</b></p>  <p>(December 16, 1956)</p> <p>New Election</p> <p>Outside</p> <p>Independent Officer</p> <p>Number of Company's Shares owned</p> <p>0 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1980: Joined The Yasuda Trust &amp; Banking Co., Ltd. (currently Mizuho Trust &amp; Banking Co., Ltd.)</p> <p>Feb. 1982: Joined AVON Product Co., LTD. (currently FMG &amp; MISSION CO., LTD.)</p> <p>May 1997: Vice President of Citibank, N.A.</p> <p>June 2000: Senior General Manager of Societe Generale Securities Ltd.</p> <p>Apr. 2002: Vice President of American Express International, Inc. (Japan)</p> <p>Aug. 2011: Country Manager (President) of American Express International, Inc. (Singapore)</p> <p>Feb. 2014: Senior Vice President of American Express International, Inc. (Japan)</p> <p>Apr. 2014: President and Representative Director of American Express Japan Co., Ltd.</p> <p>June 2017: Outside Director of Yamaha Corporation (current position)</p> <p>June 2017: Outside Director of AEON Financial Service Co., Ltd. (current position)</p> <p>June 2018: Outside Director of Japan Freight Railway Company (current position)</p> <p>Sep. 2018: External Director of ULVAC, Inc. (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>Outside Director of Yamaha Corporation</p> <p>Outside Director of AEON Financial Service Co., Ltd.</p> <p>Outside Director of Japan Freight Railway Company</p> <p>External Director of ULVAC, Inc.</p> <p><b>Reason for election as Outside Director and expected roles, etc.</b></p> <p>Having held key positions in domestic and overseas companies, she has a wealth of achievements and experience as a manager. In particular, she has extensive experience in financial strategy, M&amp;A, and other areas from serving as the head of Asian and Japanese subsidiaries of global financial institutions. In addition, she has gained experience on the front lines of corporate management in an environment where diversity in senior management is considered to be natural, and she embodies diversity in corporate management.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including M&amp;A and other financial strategies, the Company proposes to elect her as an Outside Director.</p>		
	<p>Notes:</p> <ol style="list-style-type: none"> <li>Ms. Yoshimi Nakajima is a candidate for Outside Director.</li> <li>The Company plans to designate Ms. Yoshimi Nakajima as an "Independent Officer" and submit notification to that effect to the Tokyo Stock Exchange, Inc.</li> <li>After the election, the Company plans to enter into a limited liability agreement with Ms. Yoshimi Nakajima, that if she causes damages to the Company by neglect of the duty as an Outside Director, where her conduct is deemed to be made in good faith without gross negligence, her liability is without fail limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.</li> <li>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</li> </ol> <p>Ms. Yoshimi Nakajima will be included as the insured of the said insurance contract.</p>		

Candidate No. 10	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2020)	Special interest with the Company
	–	–	None
<p style="text-align: center;"><b>Keiko Takegawa</b></p>  <p style="text-align: center;">(April 23, 1958) New Election Outside Independent Officer</p> <p>Number of Company's Shares owned 0 shares</p>	<p><b>Career summary, post and responsibility in the Company</b></p> <p>Apr. 1981: Joined the Prime Minister's Office (currently Cabinet Office)</p> <p>July 2006: Director of Policy Division for Universal Design, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>July 2008: Director-General for Policies on Cohesive Society and Minister's Secretariat of Cabinet Office</p> <p>July 2009: Director-General for Gender Equality Bureau of Cabinet Office</p> <p>Dec. 2012: Director-General of the Public Relations Office of Cabinet Office</p> <p>July 2014: Director of the Gender Equality Bureau of Cabinet Office</p> <p>Apr. 2019: Professor of Showa Women's University (current position)</p> <p>June 2019: Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (current position)</p> <p>June 2019: Outside Auditor of MITSUI MINING &amp; SMELTING CO., LTD. (current position)</p> <p>Apr. 2020: Dean of Faculty of Global Business of Showa Women's University (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>Outside Auditor of MITSUI MINING &amp; SMELTING CO., LTD.</p> <p>Dean, Professor of Faculty of Global Business of Showa Women's University</p> <p><b>Reason for election as Outside Director and expected roles, etc.</b></p> <p>Having held key positions in the Cabinet Office, she has worked hard to realize policies related to gender equality, and has extensive knowledge and experience in the fields of diversity and compliance. During her tenure at the Ministry of Land, Infrastructure, Transport and Tourism, she worked tirelessly across ministries and agencies to develop safe and secure infrastructure for the elderly and disabled, and the Company expects her to provide useful advice on its technology and quality control from the consumers' perspective.</p> <p>To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspective of diversity promotion, and in strengthening the management supervision function in areas including quality control, compliance and personnel affairs and remuneration, the Company proposes to elect her as an Outside Director.</p> <p>Ms. Keiko Takegawa has not engaged in managing a company other than serving as an Outside Director and Outside Audit &amp; Supervisory Board Member, but the Company expects that she will properly perform her duties as an Outside Director because of the reason described above.</p>		
	<p>Notes:</p> <ol style="list-style-type: none"> <li>Ms. Keiko Takegawa is a candidate for Outside Director.</li> <li>The Company plans to designate Ms. Keiko Takegawa as an "Independent Officer" and submit notification to that effect to the Tokyo Stock Exchange, Inc.</li> <li>After the election, the Company plans to enter into a limited liability agreement with Ms. Keiko Takegawa, that if she causes damages to the Company by neglect of the duty as an Outside Director, where her conduct is deemed to be made in good faith without gross negligence, her liability is without fail limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.</li> <li>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</li> </ol> <p>Ms. Keiko Takegawa will be included as the insured of the said insurance contract.</p>		

**(Reference) Composition of the Board of Directors and Policy and Procedures for Director Candidates**

1. Composition of the Board of Directors

- a. The Board of Directors shall have the number of members that is considered appropriate to substantial deliberations.
- b. Independent Outside Directors shall be appointed so that the ratio of Independent Outside Directors in the Board of Directors shall be one-third or more.
- c. The Board of Directors shall be joined by well-balanced members selected through the development of a skill matrix based on the business strategies and management plans, such as experts specializing in finance, accounting, laws, compliance and other relevant areas, with consideration for knowledge, experience, and ability, the number of years in office, and gender, ensuring both the compatibility with diversity and proper headcount.

2. Stance on and Procedures for Selection of Prospective Directors

The Company shall select prospective directors from among those of high integrity (as a sincere and high-minded morality, and earnestness) and having high management ability, having nature suited to practicing the Group’s Corporate Philosophy, interested in the Group’s business and with a deep insight etc., and having high awareness for contributing to creating corporate value and improving company performance.

The stance on the selection of prospective directors shall be discussed at the Personnel Affairs and Remuneration Committee, an advisory body to the Board of Directors which shall be chaired by an Independent Outside Director and a majority of whose members shall be Independent Outside Directors, and determined by the Board of Directors with the utmost regard for the opinions of the Committee.

A proposal on specific prospective directors shall be discussed at the Personnel Affairs and Remuneration Committee and determined by the Board of Directors with the utmost regard for the opinions of the Committee.

The selection of prospective internal Directors shall be performed with consideration for the specified qualification requirements (i.e., embodying the Corporate Philosophy and having a panoramic vision) and competence requirements (i.e., having a vision to resolve external problems, innovativeness for creating new markets, being able to cooperate with various stakeholders, and the capability to develop organizations that enhance the Group’s comprehensive power), and shall be discussed at the Personnel Affairs and Remuneration Committee based on requirements for human resources and an evaluation of performance.

[Reasons for selecting each item in the skill matrix]


Skill items	Reasons for selection
Corporate management Business strategy	The Company is a leading company in the housing industry with the cumulative number of homes built totaling 2.50 million. In order to formulate a sustainable growth strategy amidst a drastically changing business environment, Directors with management experience and a proven track record in the housing, construction, and urban development fields are needed. In addition, in order to realize and promote the global vision of “Combining tangible and intangible products and services that contribute to contentment,” the Company needs Directors with experience in different industries, especially management experience and a proven track in the field of consumer services such as health, connection, and learning.
International business Overseas insight	In order to formulate growth strategies and supervise the management of the international business, which is a growth area, it is necessary to have Directors who have experience in overseas business management and extensive knowledge and experience in overseas cultural life and business environment.
Finance strategy and accounting	Directors with solid knowledge and experience in the fields of finance and accounting are needed to formulate financial strategies that will not only ensure accurate financial reporting, but also build a solid financial foundation, promote growth investments (including M&A) for sustainable enhancement of corporate value, and enhance shareholder returns.
Technology and quality Environment	In order to realize the supply of high-quality housing that combines safety, security, and comfort with advanced technology, and to further advance and develop our advanced environmental technology and solid construction capabilities, Directors with a track record of promoting various innovations and solid knowledge and experience in the fields of technology, quality, and the environment are needed.
Human resources development Diversity Improvement in sociability	In order to provide homes that make our customers feel more content, the Company needs to develop human resource strategies that enable each employee to maximize their potential, and the Company needs Directors with solid knowledge and experience in the field of human resources development, including the promotion of diversity.
Governance Risk management Compliance	The establishment of an appropriate governance system is the foundation for sustainable enhancement of corporate value, and in order to improve the effectiveness of management supervision by the Board of Directors, Directors with solid knowledge and experience in the fields of corporate governance, risk management, and compliance are needed.


**Proposal No. 4: Election of Two Audit & Supervisory Board Members**

Audit & Supervisory Board Member Mr. Hisao Yamada will resign, and the term of office of Audit & Supervisory Board Member Mr. Takashi Kobayashi will expire at the close of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to newly elect two Audit & Supervisory Board Members.

This proposal has already received approval from the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No. 1	Number of years in office as Audit & Supervisory Board Member (at the close of this Ordinary General Meeting of Shareholders)	Attendance at meetings of the Board of Directors and Audit & Supervisory Board (FY2020)	Special interest with the Company
	-	-	None
<p style="text-align: center;"><b>Midori Ito</b></p>  <p style="text-align: center;">(May 13, 1955) Number of Company's Shares owned 14,900 shares</p>	<p><b>Career summary and post in the Company</b></p> <p>Apr. 1974: Joined the Company</p> <p>Feb. 2014: Chief Manager of Diversity and Inclusion Promotion Office, Corporate Management Planning Department</p> <p>Apr. 2018: Executive Officer of the Company (current position) Assigned to the post of Chief Manager of Diversity and Inclusion Promotion Department</p> <p>Feb. 2020: In charge of Diversity and Inclusion Promotion (current position)</p> <p><b>Reason for election as Audit &amp; Supervisory Board Member</b></p> <p>After joining the Company, she worked at open houses for approximately 10 years before engaging in housing sales, and as a pioneer in the field of female housing sales, she became a good role model for future generations. After transferring to the Head Office in 2006, she led the Women's Participation Promotion Group as a leader with an understanding of the actual conditions in the sales field, demonstrating her exceptional ability to take action and leading the implementation of a number of measures. Since assuming the position of Executive Officer of the Company in 2018, she has worked on establishing the Ikumen (men who take an active role in child-rearing) Leave program and strongly promoted diversity and inclusion. To strengthen the audit system of the Company through her abundant practical experience in the sales field and her knowledge and experience accumulated through the planning of diversity and inclusion measures, the Company proposes to newly elect her as an Audit &amp; Supervisory Board Member.</p>		
<p>Note:</p> <p>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.</p> <p>Ms. Midori Ito will be included as the insured of the said insurance contract.</p>			

<b>Candidate No.</b> 2	Number of years in office as Outside Audit & Supervisory Board Member (at the close of this Ordinary General Meeting of Shareholders)	Attendance at meetings of the Board of Directors and Audit & Supervisory Board (FY2020)	Special interest with the Company
	4 years	13/13 (attendance at the meetings of the Board of Directors: 100%) 14/14 (attendance at the meetings of Audit & Supervisory Board: 100%)	None
<p><b>Takashi Kobayashi</b></p>  <p>(March 23, 1951)</p> <p style="text-align: center;">Reelection Outside Independent Officer</p> <p>Number of Company's Shares owned 0 shares</p>	<p><b>Career summary and post in the Company</b></p> <p>Apr. 1976: Public Prosecutor</p> <p>Jan. 2004: Chief Public Prosecutor of the Nara District Public Prosecutor's Office</p> <p>Dec. 2004: Public Prosecutor of the Supreme Public Prosecutor's Office</p> <p>Sep. 2005: Chief Public Prosecutor of the Maebashi District Public Prosecutor's Office</p> <p>June 2007: Deputy Chief Public Prosecutor of the Osaka High Public Prosecutor's Office</p> <p>July 2008: Public Safety Director of the Supreme Public Prosecutor's Office</p> <p>Jan. 2010: Chief Public Prosecutor of the Osaka District Public Prosecutor's Office</p> <p>Feb. 2011: Registered as lawyer (current position)</p> <p>Apr. 2017: Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>June 2017: Outside Director of Sanyo Special Steel Co., Ltd. (current position)</p> <p><b>Significant concurrent post of other companies</b></p> <p>Lawyer of Ono-Kobayashi Law Office</p> <p>Outside Director of Sanyo Special Steel Co., Ltd.</p> <p><b>Reason for election as Outside Audit &amp; Supervisory Board Member and expected roles, etc.</b></p> <p>He was appointed as an Outside Audit &amp; Supervisory Board Member in 2017 to strengthen the audit system of the Company through his professional knowledge and abundant experience in the judicial field as a prosecutor and lawyer, and he has contributed to enhancing the transparency and fairness of the Board of Directors by providing accurate opinions on the direction of governance reform. So that he can contribute to strengthening the Company's management supervision function and building a better governance system based on his deep insight and high standards of ethics, the Company proposes to reelect him as an Outside Audit &amp; Supervisory Board Member. Mr. Takashi Kobayashi has not engaged in managing a company other than serving as an Outside Officer, but the Company expects that he will properly perform his duties as an Outside Audit &amp; Supervisory Board Member because of the reason described above.</p>		
<p>Notes:</p> <ol style="list-style-type: none"> <li>Although the Company had entered into a legal advisory contract with the lawyer Mr. Susumu Ono of the Ono-Kobayashi Law Office which Mr. Takashi Kobayashi belongs to, the agreement was terminated on December 31, 2018. When the agreement was concluded, the legal advisory fees were ¥2 million or less per year, and the criteria for independence of Outside Officers stipulated by the Company were satisfied, and accordingly the Company deems that there is no risk of conflict of interest with general shareholders.</li> <li>Mr. Takashi Kobayashi is a candidate for Outside Audit &amp; Supervisory Board Member. The term of office of Mr. Takashi Kobayashi as an Outside Audit &amp; Supervisory Board Member shall be four years at the conclusion of this Ordinary General Meeting of Shareholders.</li> <li>The Company designated Mr. Takashi Kobayashi as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.</li> <li>The Company entered into an agreement with Mr. Takashi Kobayashi that if he causes damages to the Company by neglect of the duty as an Outside Audit &amp; Supervisory Board Member, where his conduct is deemed to be made in good faith without gross negligence, his liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with him.</li> <li>The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. Mr. Takashi Kobayashi will be included as the insured of the said insurance contract.</li> </ol>			

**(Reference) Audit & Supervisory Board Composition**

If Proposal No. 4 “Election of Two Audit & Supervisory Board Members” is approved as originally proposed, the number of Audit & Supervisory Board Members will be six, including four Outside Audit & Supervisory Board Members, as of the close of this Ordinary General Meeting of Shareholders, and the composition of the Audit & Supervisory Board will be as follows.

	Name	Gender	Current post in the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of Audit & Supervisory Board
<input type="checkbox"/> Current	Haruyuki Iwata	Male	Standing Audit & Supervisory Board Member	13/13 (100%)	14/14 (100%)
<input type="checkbox"/> New Election	Midori Ito	Female	Executive Officer	–	–
<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent Officer	Takashi Kobayashi	Male	Outside Audit & Supervisory Board Member	13/13 (100%)	14/14 (100%)
<input type="checkbox"/> Current <input type="checkbox"/> Outside <input type="checkbox"/> Independent Officer	Hisako Makimura	Female	Outside Audit & Supervisory Board Member	13/13 (100%)	14/14 (100%)
<input type="checkbox"/> Current <input type="checkbox"/> Outside <input type="checkbox"/> Independent Officer	Ryuichi Tsuruta	Male	Outside Audit & Supervisory Board Member	12/13 (92.3%)	14/14 (100%)
<input type="checkbox"/> Current <input type="checkbox"/> Outside <input type="checkbox"/> Independent Officer	Yoritomo Wada	Male	Outside Audit & Supervisory Board Member	9/9 (100%)	9/9 (100%)

- Notes:
1. The current Audit & Supervisory Board Members do not have any relationship of special interest with the Company.
  2. Mr. Takashi Kobayashi, Ms. Hisako Makimura, Mr. Ryuichi Tsuruta and Mr. Yoritomo Wada are Outside Audit & Supervisory Board Members.
  3. Although the Company had entered into a legal advisory contract with the lawyer Mr. Susumu Ono of the Ono-Kobayashi Law Office which Mr. Takashi Kobayashi belongs to, the agreement was terminated on December 31, 2018. When the agreement was concluded, the legal advisory fees were ¥2 million or less per year, and the criteria for independence of Outside Officers stipulated by the Company were satisfied.
  4. The Company designated Mr. Takashi Kobayashi, Ms. Hisako Makimura, Mr. Ryuichi Tsuruta and Mr. Yoritomo Wada as “Independent Officers” and submitted notification to that effect to the Tokyo Stock Exchange, Inc.

# Attached Documents of the Notice of the 70th Ordinary General Meeting of Shareholders

## The Business Report

for the 70th fiscal year (February 1, 2020 – January 31, 2021)

### 1. Business Conditions of the Corporate Group

#### (1) Progress and Results of Sekisui House Group

During the consolidated fiscal year under review, the global economy remained in difficult conditions due to the adverse effects COVID-19 generated through its global spread. The Japanese economy continued to face challenging conditions, with the declaration of a second state of emergency in response to rising COVID-19 infections. Nonetheless, signs of improvement could be seen. In the housing market in Japan, the number of new housing starts decreased, reflecting the effects of a decline in reaction to the consumption tax hike which had continued from 2019, in addition to the effects of self-restraint on sales activities exercised in connection with efforts to prevent the spread of COVID-19. As a result, severe conditions continued for orders received across the market. However, as a countermeasure to the economy which had lost momentum under the impact of COVID-19, financial incentives began to be implemented, including the establishment of a green housing point system, and the extension of tax exemptions on housing loans and gifts related to funds for housing acquisition. In addition, as economic activity gradually resumed, evidence of a recovery became apparent.

Under these circumstances, the Group prioritized the safety of customers, suppliers, affiliates and employees, and continuously took measures and provided responses necessary to control the spread of the disease. The Company continued its initiatives to propose plans to customers through a web conference system in the name of “Ouchi-de-Sumaizukuri” and “Ouchi-de-Reform” in sales activities for the Custom Detached Houses Business and the Remodeling Business. It also focused its efforts on sales activities targeting corporations in the Rental Housing Business. Simultaneously, the Company gradually resumed its sales activities through open houses and so forth.

In the Overseas Business, sales fell temporarily in the homebuilding business in the United States as the number of people infected with COVID-19 grew. However, sales recovered and stayed high, partly buoyed by historically low mortgage rates.

To mark the 60th anniversary of its founding, the Company has adopted “making home the happiest place in the world” as its global vision for the next 30 years from 2020, and has set itself the goal of becoming a global housebuilder that provides a fusion of the tangible, the intangible and services. It has also formulated a Fifth Mid-Term Management Plan (FY2020-FY2022) and established “further strengthening core businesses and embarking on new businesses” as a fundamental policy under the management direction, “deployment of growth strategies focused on the residential business domain.”

As part of the initiatives taken for new businesses, the Company continued to develop the “Platform House” to aid happiness in the era of the 100-year lifespan and gradually started consumer participation-type demonstration experiments of “HED-Net,” the world’s first in-home early acute-disease detection network, from December.

In addition, the Company opened eight “Fairfield by Marriott” hotels adjacent to Michi-no-Eki stations in four prefectures in and after October 2020 in cooperation with 25 prefectural governments and 34 partner companies through the “Trip Base *Michi-no-Eki* Stations Project” executed with Marriott International as a regional revitalization project. In the Project’s first stage, the Company will successively open 15 hotels in six prefectures by the spring of 2022.

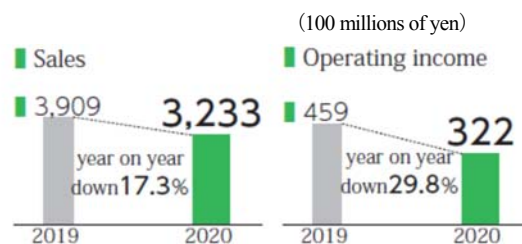
Moreover, the Company launched the industry’s first one-stop service that uses blockchain technologies to simplify the tedious process of moving into rental housing from January 2021.

Net sales for the fiscal year under review amounted to ¥2,446,904 million (up 1.3 % year on year). Operating income amounted to ¥186,519 million (down 9.1 % year on year), ordinary income to ¥184,697 million (down 13.7 % year on year) and net income attributable to owners of parent to ¥123,542 million (down 12.5 % year on year).



Business results by segments are as follows. From the current fiscal year (70th term), “Architectural / Civil Engineering Business” has been classified as a new business segment, and the figures for net sales and operating income for the previous fiscal year (69th term) have been reclassified.

#### Custom Detached Houses Business

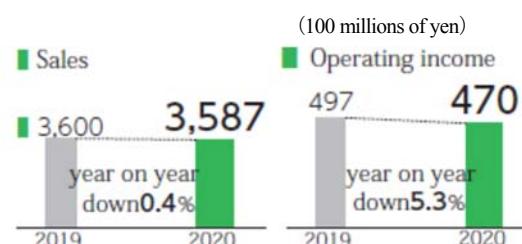
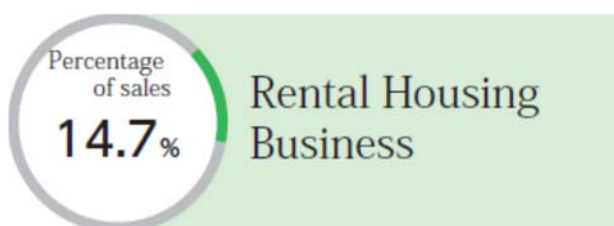


In the Custom Detached Houses Business, the Company launched the “Family Suite Ouchi Premium,” incorporating new lifestyle proposals linked with greater time spent at home into the “Family Suite” born out of a study of houses where people become “happier as they reside longer.” It has been well received with an adoption rate of about 60%. The Company also promoted “Green First Zero,” its net zero energy house (ZEH), with an adoption rate reaching 87% (FY2019). In all products, the Company made proposals for life after COVID-19, including working from home. In December, the Company launched “SMART-ECS,” a next-generation indoor environment system for the new normal, taking into account viruses, pollen and other pollutants. Additionally, the Company expanded sales of high-end products in stages, including the market introduction of “KOKAGE LOUNGE” through the SHAWOOD series of wooden custom detached houses which enrich time spent at home with ceilings and eaves making the most of slopes, in addition to mainstay mid-range and high-end products. The Company also strengthened its second brand marketed by Sekisui House noie Limited to promote products in a wider price range. In addition, the Company opened “Minna no Kurashi 7 Stories,” a lifestyle based model house where its diverse proposals for happy living and technologies supporting them can be experienced all at once, within the “Kanto Sumai no Yume Kojo” facility.

Orders received fell, with the spread of COVID-19 leading to the cancellation of promotional events and otherwise disrupting sales activities. However, as restrictions on sales activities were gradually lifted, the orders grew consistently during the second half.

Sales in the Custom Detached Houses Business amounted to ¥323,332 million (down 17.3 % year on year), and operating income to ¥32,231 million (down 29.8 % year on year).

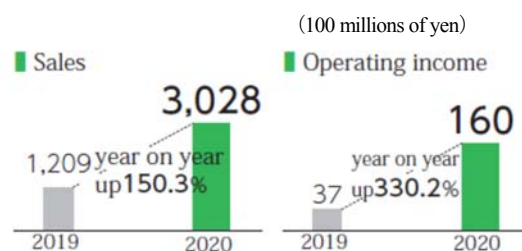
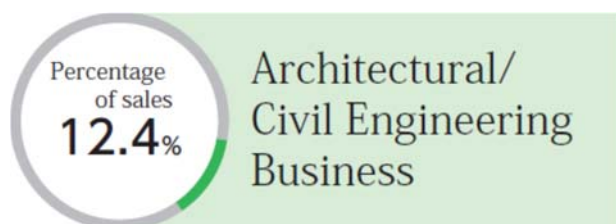
#### Rental Housing Business



In the Rental Housing Business, the Company sought to win more orders for rental houses centered on those with three or four stories by conducting exhaustive marketing in specific areas focused on urban districts and strengthening value-added proposals that lead to stable management in the long-term, including the promotion of ZEH and the incorporation of elevators. Moreover, the Company focused on businesses targeting companies and public projects, and promoted sales in non-housing products built using materials shipped from the Company’s factories. Orders received showed signs of a recovery as the Company took these measures. However, orders for non-housing products including hotels decreased under the adverse effects of COVID-19.

Sales in the Rental Housing Business amounted to ¥358,745 million (down 0.4 % year on year), and operating income to ¥47,052 million (down 5.3 % year on year).

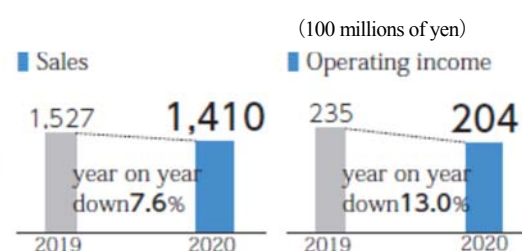
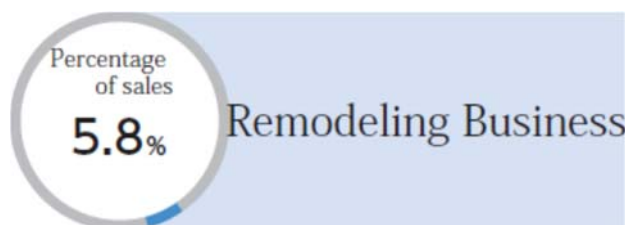
### Architectural / Civil Engineering Business



In the Architectural / Civil Engineering Business, sales in construction and civil engineering of Konoike Construction Co., Ltd., which became a consolidated subsidiary on October 1, 2019, were posted. The Company [Sekisui House, Ltd.] carried out sales promotion activities in the non-residential sector, which covers reinforced concrete (RC) commercial buildings, shops, offices and nursery schools.

Sales in the Architectural / Civil Engineering Business amounted to ¥302,837 million (up 150.3 % year on year), and operating income to ¥16,051 million (up 330.2% year on year).

### Remodeling Business



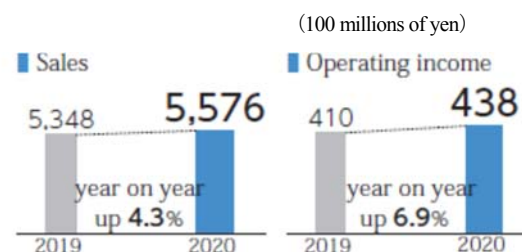
In the Remodeling Business, the Company continued to promote the enhancement of proposal-based remodeling, which offers lifestyle ideas, and environment based remodeling, such as energy saving renovation, and took steps to bolster its sales structure.

To owners of detached houses, the Company proposed “Green First Renovation *Idokoro Dan-netsu*,” products based on the idea of partial insulation. To the owners of “Sha-Maison” rental houses, the Company proposed renovations that would contribute to stable management in the long term, including the maintenance and improvement of rent levels and occupancy rates.

Orders received fell, with the spread of COVID-19 leading to the cancellation of home visits and other sales activities. However, as in the case of custom detached houses, orders grew consistently during the second half as restrictions on sales activities were gradually lifted.

Sales in the Remodeling Business amounted to ¥141,090 million (down 7.6 % year on year), and operating income to ¥20,479 million (down 13.0 % year on year).

### Real Estate Management Fees Business



In the Real Estate Management Fees Business, Sekiwa Real Estate companies changed their trade names to Sekisui House Real Estate companies and strengthened the rental and brokerage businesses to unify products under the Sekisui House brand and improve the unified business operation of the entire Group. The number of “Sha-Maison” rental housing units for block leasing and that of housing units under management achieved solid growth. At the same time, the Company maintained high occupancy rates by meeting demand for high-quality rental houses featuring hotel like specifications.

Sales in the Real Estate Management Fees Business amounted to ¥557,632 million (up 4.3 % year on year), and operating income to ¥43,869 million (up 6.9 % year on year).

### Houses for Sale Business



In the Houses for Sale Business, the Company continued to actively procure high-quality land for first-time buyers and worked to enhance sales to raise asset turnover. In addition, the Company advanced efforts to develop communities of high quality that can be passed on to the next generation in the forms of initiatives for planning and proposing not only individual gardens and external facilities but also integrated rows of houses and activities for supporting community development, adopting the concept of “beauty that blooms with time” in which attractions and value grow over the years.

Orders received fell, with the spread of COVID-19 leading to the cancellation of home visits and other sales activities. However, as in the case of custom detached houses, orders grew consistently during the second half as restrictions on sales activities were gradually lifted.

Sales in the Houses for Sale Business amounted to ¥139,151 million (down 8.0 % year on year), and operating income for the business came to ¥7,586 million (down 38.1% year on year), due to a reactionary decline in sales of commercial land for large-scale subdivisions in the previous fiscal year.

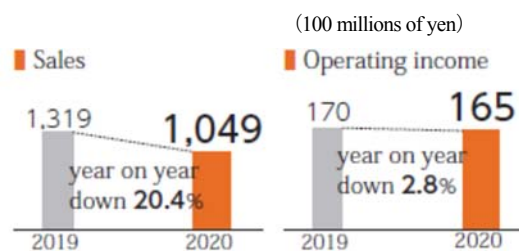
### Condominiums Business



In the Condominiums business, the Company continued to implement its thorough area-specific strategies and advanced its brand strategies by integrating homebuilding knowhow gained through custom detached houses. Sales remained strong for developments such as “Grande Maison Shin Umeda Tower THE CLUB RESIDENCE” (Kita-ku, Osaka) and “Grande Maison Josui Garden City Central Forest I” (Chuo-ku, Fukuoka). Meanwhile, deliveries progressed as planned for properties centered on “Grande Maison Shinagawa Seaside no Mori” (Shinagawa-ku, Tokyo).

Sales in the Condominiums Business amounted to ¥77,091 million (down 25.9 % year on year), and operating income to ¥8,817 million (down 13.0 % year on year).

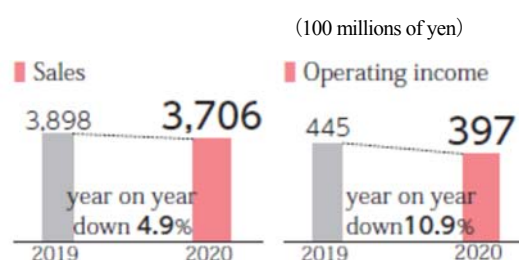
### Urban Redevelopment Business



In the Urban redevelopment business, occupancy rates remained solid for rental properties owned by the Sekisui House Group, such as offices, commercial buildings and “Prime Maison” rental houses developed by the Company. However, income from hotels declined due to falls in the numbers of travelers from Japan and overseas under the effects of COVID-19. Meanwhile, the Company sold properties as planned, including “The Ritz Carlton Kyoto” (part of the stake) and “Grand Mast Hirose Do-ri” (Aoba-ku, Sendai) rental housing, to Sekisui House Reit, Inc. in April.

Sales in the Urban Redevelopment Business amounted to ¥104,953 million (down 20.4 % year on year), and operating income to ¥16,565 million (down 2.8 % year on year).

### Overseas Business

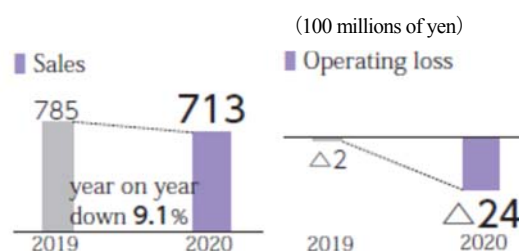
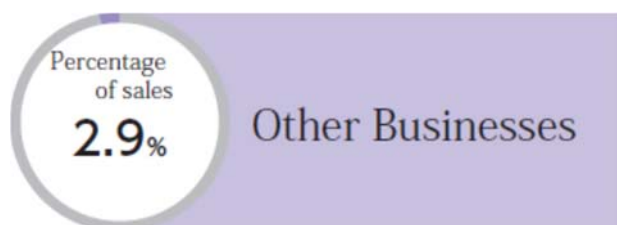


In the Overseas Business, the Company operated its activities in line with the different measures taken in each country facing the spread of COVID-19.

In the United States, the Company completed delivery of three projects including “Bear Creek” (Denver) and “Kiara” (Seattle) in the multifamily business. However, the Company rescheduled sales plans for some of the properties to the next and subsequent fiscal years. The housing land development business and the homebuilding business of Woodside Homes Company, LLC remained strong, supported by historically low mortgage rates. In China, the delivery of a condominium in Suzhou progressed smoothly. In Australia, the Company reviewed its earnings plan for the condominium business but completed delivery of phase 1 of “Sanctuary” and “Melrose Park” (Sydney), and delivery of “The Hermitage” (Sydney) advanced steadily in the master-planned community business.

Sales in the Overseas Business amounted to ¥370,686 million (down 4.9 % year on year), and operating income to ¥39,708 million (down 10.9% year on year).

### Other Businesses



In the Exterior Business, the Company worked to enhance integrated proposals for houses and external facilities. The Company aggressively made proposals for building original gardens and external facilities in custom detached houses, rental houses, and condominiums based on “the Gohon no Ki” landscaping plan, through which garden trees are selected from natural and native species to match the local climate. Moreover, the Company worked to further strengthen the Exterior Business mainly through capital and business alliances with gardening companies. However, sales of the Exterior Business fell, in line with a decrease in sales in the Custom Detached Houses Business and Rental Housing Business.

Sales in the Other Businesses amounted to ¥71,384 million (down 9.1 % year on year), and operating loss to ¥2,480 million.

## (2) Issues to Be Addressed by Sekisui House Group

While COVID-19 infections are continuing to spread across the world, the administration of vaccines has started. However, restrictions on economic activity as measures taken by countries to prevent the spread of COVID-19 infections, including restrictions on going out, have significant effects on the global economy, and it is likely to take time before a full recovery. The future of the Japanese economy is uncertain, reflecting the effects of COVID-19 on the employment and income environment. Therefore, the Company needs to pay attention to the effects on the housing market.

In this business environment, the Company will accelerate efforts to become a global housebuilder that provides a fusion of the tangible, the intangible and services based on the residential domain under its global vision “making home the happiest place in the world” and its fundamental policy of the Fifth Mid-Term Management Plan (FY2020-FY2022), “further strengthening core businesses and embarking on new businesses.” As part of its efforts, the Company will encourage online meetings to prevent COVID-19 infections and work to build relations with customers using IT technologies. The Company will also enhance development of products in response to new lifestyles.

In the Build-to-Order Business, the Company will pursue high value-added housing and living environments to expand earnings. In the Custom Detached Houses segment, it will widen its pricing brackets and strengthen and expand product development according to each price bracket. The Company will encourage sales of the “Family Suite” for enhancing time spent at home and “SMART-ECS,” which ventilates a house and purifies the air without changing the temperature significantly. In the Rental Housing and Non-housing (buildings for business use) Business, the Company will promote sales of apartments of which all units meet ZEH standard and conduct exhaustive area marketing focusing on S and A areas, which are positioned as strategic areas in each city. To strengthen proposals for the effective use of corporate real estate (CRE) and public real estate (PRE), the Company will leverage the strengths of its original  $\beta$  system construction method, which uses heavy steel frames, in a wide range of applications and increase synergy with subsidiary Konoike Construction Co., Ltd.

In the Supplied Housing Business, the Company will actively expand proposal-based and eco-friendly remodeling in response to needs for a more comfortable life as time spent at home has increased. Sekisui House Real Estate companies will use blockchain technologies to unify processes of moving into rental housing. They will enhance services for tenants in rental housing and their brokerage business.

In the Development Business, the Company will raise asset turnover and acquire prime land in line with its area marketing to ensure stable earnings. In the Condominiums business, the Company will strengthen differentiated development, including the development of condominiums in which each unit is equipped with a fuel cell unit. In the Urban Redevelopment business, the Company will emphasize turnover and focus on the development of rental condominiums primarily in the Tokyo area. The Company will advance the “Trip Base *Michi-no-Eki* Stations Project,” which contributes to regional revitalization, leveraging its building technology.

In the Overseas Business, the Company will enter a new stage of deploying Sekisui House technologies in each country. It will focus on stable growth in the development business and the supply of houses, and will seek to build a structure for sustainable growth. In the United States, where the homebuilding business is performing well, the Company will advance a pilot project using technologies for SHAWOOD wooden framed houses, thereby enhancing brand awareness.

We sincerely ask for our shareholders’ further support, assistance and guidance.

**(3) Breakdown of Orders Received and Net Sales of Sekisui House Group***Millions of yen*

	Orders brought forward from the previous year	Orders for the fiscal year ended January 31, 2021	Net sales for the fiscal year ended January 31, 2021	Orders carried forward to the following year
<b>Built-to-Order Business</b>				
Custom Detached Houses Business	184,302	322,328	323,332	183,298
Rental Housing Business	376,538	354,929	358,745	372,723
Architectural / Civil Engineering Business	386,561	278,682	302,837	362,407
<b>Supplied Housing Business</b>				
Remodeling Business	27,976	141,698	141,090	28,584
Real Estate Management Fees Business	—	557,632	557,632	—
<b>Development Business</b>				
Houses for Sale Business	41,513	145,343	139,151	47,705
Condominiums Business	87,762	80,979	77,091	91,651
Urban Redevelopment Business	30,613	103,241	104,953	28,901
<b>Overseas Business</b>	222,324	347,983	370,686	199,620
<b>Other Businesses</b>	50,854	69,057	71,384	48,527
<b>Total</b>	<b>1,408,448</b>	<b>2,401,877</b>	<b>2,446,904</b>	<b>1,363,421</b>

Notes:

1. Each business division is set out in (6) Major businesses.
2. Effective from the fiscal year under review, the “Architectural / Civil Engineering Business” has been classified as a new business segment, and the figures for orders brought forward from the previous fiscal year represent those after the reclassification.

**(4) Business Results and Financial Situation of Sekisui House Group**

Millions of yen

	Fiscal year ended January 31, 2018	Fiscal year ended January 31, 2019	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Net sales	2,159,363	2,160,316	2,415,186	2,446,904
Net income attributable to owners of parent	133,224	128,582	141,256	123,542
Net income per share (yen)	193.06	186.53	205.79	181.18
Total assets	2,419,012	2,413,035	2,634,748	2,625,861
Net assets	1,208,121	1,196,923	1,306,850	1,368,887

Note:

Effective from the fiscal year ended January 31, 2020, the Company applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018). Accordingly, the Company changed the presentation of deferred tax assets and deferred tax liabilities, such that deferred tax assets and deferred tax liabilities are presented under investments and other assets and noncurrent liabilities, respectively. The figures for the fiscal year ended January 31, 2019 represent those after the reclassification.

**(5) Plant-and-Equipment Investment and Conditions of Financing**

The aggregate amount of plant-and-equipment investments made by the Sekisui House Group during the fiscal year under review amounted to ¥96,609 million and the main component was acquisition of the real estate for investments.

There are no matters of special note regarding the funds procured during the fiscal year.

**(6) Major Businesses as of January 31, 2021**

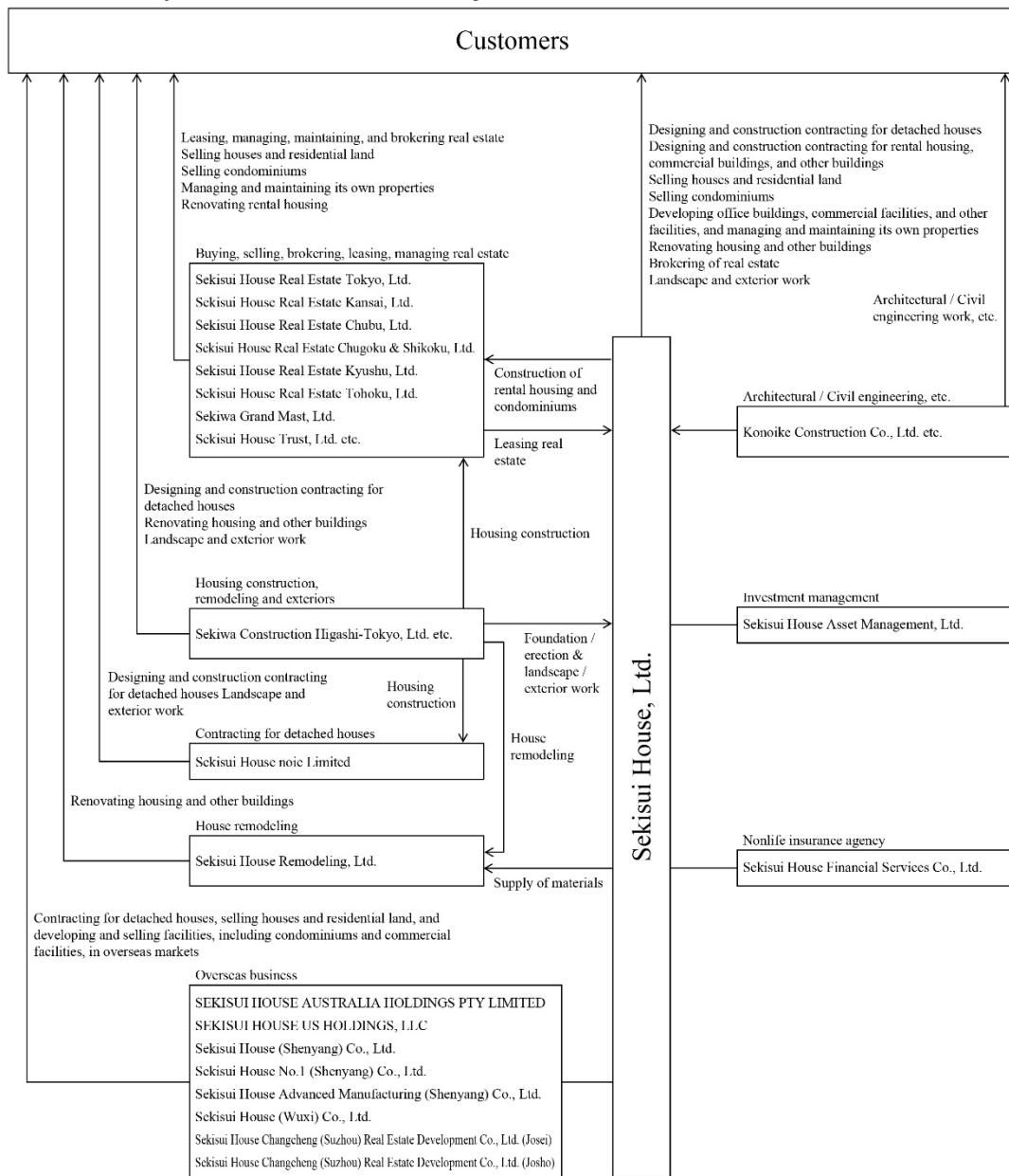
The Company and the Sekisui House Group companies are involved in the Custom Detached Houses Business, Rental Housing Business, Architectural / Civil Engineering Business, Remodeling Business, Real Estate Management Fees Business, Houses for Sale Business, Condominiums Business, Urban Development Business, Overseas Business, and carry out related business activities.

The position of each company within the Group is illustrated below.

<p><b>Built-to-Order Business</b></p> <p>Custom Detached Houses Business</p> <p>Rental Housing Business</p> <p>Architectural / Civil Engineering Business</p>	<p>Designing, constructing, and contracting for detached houses</p> <p>Designing and construction contracting for rental housing, commercial buildings, and other buildings</p> <p>Designing and construction contracting for architectural and civil engineering work for rental housing, commercial buildings, and other buildings of reinforced-concrete (RC) structure</p>
<p><b>Supplied Housing Business</b></p> <p>Remodeling Business</p> <p>Real Estate Management Fees Business</p>	<p>Renovating housing and other buildings</p> <p>Leasing, managing, maintaining, and brokering real estate</p>
<p><b>Development Business</b></p> <p>Houses for Sale Business</p> <p>Condominiums Business</p> <p>Urban Redevelopment Business</p>	<p>Selling houses and residential land, and designing and construction contracting for houses built on residential land for sale</p> <p>Selling condominiums</p> <p>Developing office buildings, commercial facilities, and other facilities, and managing and maintaining its own properties</p>
<p><b>Overseas Business</b></p>	<p>Contracting for detached houses, selling houses and residential land, and developing and selling facilities, including condominiums and commercial facilities, in overseas markets</p>
<p><b>Other Businesses</b></p>	<p>Exterior business, etc.</p>



The outline of the major businesses of the Sekisui House Group is set out below:



(7) Major Operations of Sekisui House Group as of January 31, 2021

(i) Location of major operations of the Company

<b>Head office:</b>	1-88, Oyodonaka 1-chome, Kita-ku, Osaka	
<b>Sales and project headquarters:</b>		<u>City</u>
Broking and Leasing Business Headquarters		Osaka
International Business Department		Osaka
Development Department		Shibuya-ku, Tokyo
Condominium Headquarters		Osaka
East Japan Building Sales Administration Headquarters		Shibuya-ku, Tokyo
West Japan Building Sales Administration Headquarters		Osaka
Tohoku Sales Administration Headquarters		Sendai
Tokyo Sales Administration Headquarters		Shibuya-ku, Tokyo
Kanagawa Sales Administration Headquarters		Yokohama
Saitama Tochigi Sales Administration Headquarters		Saitama
Higashi Kanto Sales Administration Headquarters		Chiba
Joshinetsu Sales Administration Headquarters		Nagano
Chubu Daiichi Sales Administration Headquarters		Nagoya
Chubu Daini Sales Administration Headquarters		Shizuoka
Kansai Daiichi Sales Administration Headquarters		Osaka
Kansai Daini Sales Administration Headquarters		Kyoto
Chugoku Shikoku Sales Administration Headquarters		Hiroshima
Kyushu Sales Administration Headquarters		Fukuoka
<b>Branches:</b>	107 Branches	
<b>Sales Offices:</b>	12 Sales Offices	
<b>Customer Service Centers:</b>	30 Customer Service Centers	
<b>Factories:</b>		
Tohoku Factory	Shikama-cho, Kami-gun, Miyagi	
Kanto Factory	Koga, Ibaraki	
Shizuoka Factory	Kakegawa, Shizuoka	
Yamaguchi Factory	Yamaguchi	
Hyogo Factory	Kato, Hyogo	
<b>R&amp;D Institutes:</b>		
Comprehensive Housing R&D Institute	Kizugawa, Kyoto	
Human Life R&D Institute	Osaka	

Notes:

Notes regarding “sales and project headquarters” are as follows.

- As of May 1, 2020, the Saitama Sales Administration Headquarters, Kita Kanto Sales Administration Headquarters, and Shinetsu Sales Administration Headquarters were integrated and reorganized into the Saitama Tochigi Sales Administration Headquarters (Saitama) and the Joshinetsu Sales Administration Headquarters (Nagano).
- As of February 1, 2021, the Sekiwa Construction Business Headquarters (Osaka) was newly established. On the same day, the East Building Japan Sales Administration Headquarters was split into the East Japan Building Sales Administration Headquarters (Shibuya-ku, Tokyo) and the Tokyo Building Sales Administration Headquarters (Shibuya-ku, Tokyo), and the West Japan Building Sales Administration Headquarters (Osaka) was split into the Chubu Building Sales Administration Headquarters (Nagoya), the Kansai Building Sales Administration Headquarters (Osaka), and the Chugoku Kyushu Building Sales Administration Headquarters (Fukuoka).

## (ii) Address of major operations of subsidiaries

Sekisui House Real Estate Tokyo, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekisui House Real Estate Kansai, Ltd.	Head office: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Real Estate Chubu, Ltd.	Head office: 24-16, Meieki 4-chome, Nakamura-ku, Nagoya
Sekisui House Real Estate Chugoku & Shikoku, Ltd.	Head office: 1-25, Komachi, Naka-ku, Hiroshima
Sekisui House Real Estate Kyushu, Ltd.	Head office: 26-29, Hakataekimae 3-chome, Hakata-ku, Fukuoka
Sekisui House Real Estate Tohoku, Ltd.	Head office: 16-10, Honcho 2-chome, Aoba-ku, Sendai
Sekiwa Grand Mast, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekisui House Remodeling, Ltd.	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Financial Services Co., Ltd.	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Asset Management, Ltd.	Head office: 15-1, Akasaka 4-chome, Minato-ku, Tokyo
Sekisui House Trust, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekisui House noie Limited	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Konoike Construction Co., Ltd.	Head office: 6-1, Kitakyuhojimachi 3-chome, Chuo-ku, Osaka
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	Head office: New South Wales, Australia
SEKISUI HOUSE US HOLDINGS, LLC	Head office: Virginia, U.S.A.
NORTH AMERICA SEKISUI HOUSE, LLC	Head office: Virginia, U.S.A.
SH RESIDENTIAL HOLDINGS, LLC	Head office: California, U.S.A.
WOODSIDE HOMES COMPANY, LLC	Head office: Utah, U.S.A.
Sekisui House (Shenyang) Co., Ltd.	Head office: Liaoning Shenyang City, China
Sekisui House No.1 (Shenyang) Co., Ltd.	Head office: Liaoning Shenyang City, China
Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.	Head office: Liaoning Shenyang City, China
Sekisui House (Wuxi) Co., Ltd.	Head office: Jiangsu Wuxi City, China
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei)	Head office: Jiangsu Suzhou City, China
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josho)	Head office: Jiangsu Suzhou City, China

Note:

The addresses above which does not include specific country name should be recognized as addresses in Japan.

**(8) Outline of Main Subsidiaries**

Company name	Capital <i>Millions of yen</i>	Percentage owned	Main business
Sekisui House Real Estate Tokyo, Ltd.	2,238	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Kansai, Ltd.	5,829	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Chubu, Ltd.	1,368	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Chugoku & Shikoku, Ltd.	379	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Kyushu, Ltd.	263	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Tohoku, Ltd.	200	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekiwa Grand Mast, Ltd.	400	100.0%	Real Estate Management Fees Business
Sekisui House Remodeling, Ltd.	100	100.0%	Remodeling Business
Sekisui House Financial Services Co., Ltd.	100	100.0%	Other Businesses
Sekisui House noie Limited	100	100.0%	Custom Detached Houses Business
Sekisui House Asset Management, Ltd.	400	100.0%	Real Estate Management Fees Business
Sekisui House Trust, Ltd.	450	95.0%	Real Estate Management Fees Business
Konoike Construction Co., Ltd.	5,350	67.1%	Architectural / Civil Engineering Business
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	1,087 (Millions of AUD)	100.0%	Overseas Business
SEKISUI HOUSE US HOLDINGS, LLC	1,398 (Millions of USD)	100.0%	Overseas Business
NORTH AMERICA SEKISUI HOUSE, LLC	1,233 (Millions of USD)	100.0%*	Overseas Business
SH RESIDENTIAL HOLDINGS, LLC	475 (Millions of USD)	100.0%*	Overseas Business
WOODSIDE HOMES COMPANY, LLC	202 (Millions of USD)	100.0%*	Overseas Business
Sekisui House (Shenyang) Co., Ltd.	219 (Millions of USD)	100.0%	Overseas Business
Sekisui House No.1 (Shenyang) Co., Ltd.	1,568 (Millions of CNY)	100.0%	Overseas Business
Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.	105 (Millions of USD)	100.0%	Overseas Business
Sekisui House (Wuxi) Co., Ltd.	265 (Millions of USD)	100.0%	Overseas Business

Company name	Capital <i>Millions of yen</i>	Percentage owned	Main business
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei)	276 (Millions of USD)	100.0%	Overseas Business
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josho)	340 (Millions of USD)	100.0%	Overseas Business

Notes:

- There are 280 consolidated subsidiaries, and 33 companies to which equity method of accounting is applied.
- “\*” includes indirect ownership.
- Effective as of November 11, 2020, Sekisui House Remodeling East, Ltd., Sekisui House Remodeling Central, Ltd., and Sekisui House Remodeling West, Ltd. became Sekisui House Remodeling, Ltd. through an absorption-type merger with Sekisui House Remodeling Central, Ltd., as the surviving company and Sekisui House Remodeling East, Ltd. and Sekisui House Remodeling West, Ltd. as the absorbed companies.
- Sekisui House noie Limited started its business on February 1, 2020.
- Effective as of October 1, 2020, Otori Holdings Co., Ltd. and Konoike Construction Co., Ltd. merged to become Konoike Construction Co., Ltd., with Konoike Construction Co., Ltd. as the surviving company and Otori Holdings Co., Ltd. as the absorbed company.
- Sekisui House (Taicang) Co., Ltd. was liquidated on October 9, 2020.

**(9) Employees as of January 31, 2021**

(i) Outline of Sekisui House Group

Number of employees	Change compared to the previous year
28,362	965 (increased)

(ii) Outline of Sekisui House, Ltd.

Number of employees	Change compared to the previous year	Average age	Average length of employment
16,361	416 (increased)	43.5 years old	17.3 years

Note:

The number of employees stated above includes those dispatched to subsidiaries and the like.

**(10) Principal Lenders as of January 31, 2021**

Name of lenders	<i>Millions of yen</i>	
	Amount of loan	
Sumitomo Mitsui Banking Corporation	129,661	
MUFG Bank, Ltd.	91,998	
Mizuho Bank, Ltd.	67,348	
Sumitomo Mitsui Trust Bank, Limited	25,946	
Resona Bank, Limited	4,137	

Note: The amount of loan denominated in foreign currency is converted using a term-end rate of exchange.

## 2. Present Conditions of the Company

### (1) The Shares as of January 31, 2021

1	Total number of shares authorized to be issued	1,978,281,000 shares
2	Total number of shares issued (Including treasury stock)	684,683,466 shares (3,581,075 shares)
3	Share unit number	100
4	Total number of shareholders	90,474
5	Details of main shareholders are as follows:	
	Name	Number of shares held (thousands)
	The Master Trust Bank of Japan, Ltd. (Trust account)	66,713
	Custody Bank of Japan, Ltd. (Trust account)	39,302
	Sekisui Chemical Co., Ltd.	37,168
	SMBC Nikko Securities Inc.	23,050
	Sekisui House Ikushikai	17,939
	Custody Bank of Japan, Ltd. (Trust account 7)	14,833
	The Dai-ichi Life Insurance Company, Limited	12,158
	STATE STREET BANK WEST CLIENT – TREATY 505234	10,911
	MUFG Bank, Ltd.	10,899
	Custody Bank of Japan, Ltd. (Trust account 5)	10,794
	Notes:	
	1. Sekisui House Ikushikai is the Company's employee stock holding association.	
	2. The ratio of shareholding is calculated deducting shares of treasury stock from the total number of shares issued.	
6	Other important matters concerning shares The Company cancelled 6,000,000 shares of common stock of the Company based on a resolution at the meeting of the Board of Directors held on March 5, 2020. In addition, the Company acquired 2,782,400 shares of common stock of the Company based on the resolution at the same meeting of the Board of Directors (partially amended by the resolution at the meeting of the Board of Directors held on September 10, 2020).	

**(2) Directors and Audit & Supervisory Board Members**

(i) Names and posts of Directors and Audit & Supervisory Board Members as of January 31, 2021

Chairman & Representative Director:	
Toshinori Abe	
Vice Chairman & Representative Director:	
Shiro Inagaki	Management of Accounting & Finance Division
President & Representative Director:	
Yoshihiro Nakai	
Executive Vice President & Representative Director:	
Takashi Uchida	Management of Administration Division
Directors:	
Shiro Wakui	
Yukiko Yoshimaru	
Toshifumi Kitazawa	
Satoshi Tanaka	
Kunpei Nishida	Senior Managing Officer, General Manager of Broking and Leasing Business Headquarters
Yosuke Horiuchi	Senior Managing Officer, in charge of ESG Management Promotion Division, Accounting & Finance Division and Transaction Promotion Division
Toshiharu Miura	Senior Managing Officer, in charge of Technology Division and Production & Procurement Division
Toru Ishii	Senior Managing Officer, in charge of Development, Condominiums, and International Businesses
Standing Audit & Supervisory Board Members:	
Haruyuki Iwata	
Hisao Yamada	
Audit & Supervisory Board Members:	
Takashi Kobayashi	
Hisako Makimura	
Ryuichi Tsuruta	
Yoritomo Wada	

Notes:

- The names of Directors and Audit & Supervisory Board Member who retired during the fiscal year under review and their posts at the time of retirement are as follows.

Director	Teruyuki Saegusa	Retired on April 23, 2020
Director	Fumiyasu Suguro	Retired on April 23, 2020
Audit & Supervisory Board Member	Yoshinori Shinohara	Retired on April 23, 2020
- Directors Mr. Toshifumi Kitazawa, Mr. Satoshi Tanaka, Mr. Toru Ishii, and Audit & Supervisory Board Member Mr. Yoritomo Wada were newly elected and assumed office at the 69th Ordinary General Meeting of Shareholders held on April 23, 2020.
- Directors Mr. Shiro Wakui, Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa and Mr. Satoshi Tanaka are Outside Directors as prescribed in Article 2, Item 15 of the Companies Act.
- Audit & Supervisory Board Members Mr. Takashi Kobayashi, Ms. Hisako Makimura, Mr. Ryuichi Tsuruta and Mr. Yoritomo Wada are Outside Audit & Supervisory Board Members as prescribed in Article 2, Item 16 of the Companies Act.
- Audit & Supervisory Board Member Mr. Yoritomo Wada is a certified public accountant and is acquainted with knowledge and information on finance and accounting to the reasonable extent.
- The Company designated each of Directors Mr. Shiro Wakui, Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Mr. Satoshi Tanaka, Audit & Supervisory Board Members Mr. Takashi Kobayashi, Ms. Hisako Makimura, Mr. Ryuichi Tsuruta and Mr. Yoritomo Wada as “Independent Officers” and submitted notification to that effect to the Tokyo Stock Exchange, Inc. (as of March 2021).
- In order to promote prompt management through a clear distinction between the decision-making responsibility and the business operations responsibility of the management system and to create a management structure that can accurately meet the needs of a volatile economic and market environment, the Company has adopted an Executive Officer System. In addition to the Executive Officers mentioned above, who concurrently serve as Directors, the Company has 18 full-time Executive Officers.

8. Directors and Audit & Supervisory Board Members who concurrently hold the important post of other companies are stated below.

Directors:		
Name	Company in which Directors of the Company hold a concurrent post	Post
Shiro Inagaki	Sekisui House Financial Services Co., Ltd.	President & Representative Director
Shiro Wakui	Tokyo City University Sekisui Jushi Corporation TOKYU LAND CORPORATION	Special Professor Outside Director Outside Director
Yukiko Yoshimaru	Mitsui Chemicals, Inc.	Outside Director
Toshifumi Kitazawa	Tokio Marine & Nichido Fire Insurance Co., Ltd. MUFG Bank, Ltd.  Mitsubishi Logistics Corporation	Vice Chairman & Director Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) Outside Director
Satoshi Tanaka	Kuraray Co., Ltd. MITSUI & CO., LTD. IHH Healthcare Berhad	Outside Director Counselor Outside Director
Toru Ishii	SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED SEKISUI HOUSE US HOLDINGS, LLC NORTH AMERICA SEKISUI HOUSE, LLC WOODSIDE HOMES COMPANY, LLC	President & Representative Director  Chairman Chairman Director
Audit & Supervisory Board Members:		
Name	Company in which Audit & Supervisory Board Members of the Company hold a concurrent post	Post
Takashi Kobayashi	Ono-Kobayashi Law Office Sanyo Special Steel Co., Ltd.	Lawyer Outside Director
Hisako Makimura	The Institute of Religion and Culture of Kyoto Women's University Research Center for Societal Safety Sciences, Faculty of Societal Safety Sciences of Kansai University	Visiting Scholar Visiting Scholar
Yoritomo Wada	Wada CPA Accounting Firm NIPPON SHOKUBAI CO., LTD.	Certified Public Accountant External Statutory Corporate Auditor

9. The charge of the Director changed as set forth below on February 1, 2021:

Vice Chairman & Representative Director	Shiro Inagaki	Management of Finance & ESG Division
Executive Vice President & Representative Director	Takashi Uchida	Management of Administration and Human Resources Division
Director	Kunpei Nishida	Senior Managing Officer, in charge of Supplied Housing Business Division, General Manager of Broking and Leasing Business Headquarters
Director	Yosuke Horiuchi	Senior Managing Officer, in charge of Finance & ESG Division and TKC Project
Director	Toshiharu Miura	Senior Managing Officer, in charge of Technology & Production Division
Director	Toru Ishii	Senior Managing Officer, in charge of Development Business Division



## (ii) Remunerations paid for Directors and Audit &amp; Supervisory Board Members

	Directors (Outside Directors)		Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)		Total (Outside Officers)	
	Number of people	Remunerations <i>Millions of yen</i>	Number of people	Remunerations <i>Millions of yen</i>	Number of people	Remunerations <i>Millions of yen</i>
Basic remuneration	14 (5)	489 (87)	7 (5)	148 (82)	21 (10)	637 (169)
Performance-related bonuses	8	320	–	–	8	320
Performance-related stock remuneration	8	111	–	–	8	111
Restricted stock remuneration	9	150	–	–	9	150

## Notes:

- Of the above, basic remuneration and restricted stock remuneration include two Directors (including one Outside Director) and one Outside Audit & Supervisory Board Member who retired as of the conclusion of the 69th Ordinary General Meeting of Shareholders held on April 23, 2020.
- Basic remuneration to the Directors were within the limit (¥43 million or less per month for all Directors as a group) fixed pursuant to resolution of the 43rd Ordinary General Meeting of Shareholders held on April 27, 1994, and also those to Audit & Supervisory Board Members were within the limit (¥15 million or less per month for all Audit & Supervisory Board Members as a group) fixed pursuant to resolution of the 67th Ordinary General Meeting of Shareholders held on April 26, 2018.
- Performance-related bonuses are recorded as expenses for the fiscal year under review, based on a resolution of the 69th Ordinary General Meeting of Shareholders held on April 23, 2020 (up to 0.18% of consolidated ordinary income. However, net income attributable to owners of parent must be at least ¥100 billion).
- Performance-related stock remuneration is recorded as expenses for the fiscal year under review, based on the resolution of the 69th Ordinary General Meeting of Shareholders held on April 23, 2020 (up to the amount calculated by multiplying the upper limit total of the Fixed Reference Number of Share Units of 270,000 shares per annum by the book value at the time the shares are granted, and up to 135,000 shares per annum).
- Restricted stock remuneration is based on the resolution of the 68th Ordinary General Meeting of Shareholders held on April 25, 2019 (up to ¥90 million and 90,000 shares of common stock per annum) and by the resolution of the 69th Ordinary General Meeting of Shareholders held on April 23, 2020 (up to ¥180 million and 180,000 shares of common stock per annum).

(iii) Matters Concerning Outside Officers

- The principal performance of Outside Directors and Audit & Supervisory Board Members during the fiscal year under review:

Post	Name	Principal performance
Director	Shiro Wakui	Mr. Wakui attended all 13 meetings of the Board of Directors. He stated timely opinions based on his abundant knowledge and experience of environmental issues and other fields and his wide knowledge as a university professor and an officer of other companies. In addition, as member of the Personnel Affairs and Remuneration Committee, he has contributed to successor planning and strengthening remuneration governance.
Director	Yukiko Yoshimaru	Ms. Yoshimaru attended all 13 meetings of the Board of Directors. She stated timely opinions based on her management experience as an officer of domestic and overseas companies and her abundant knowledge and experience in the fields of human resource management and diversity. In addition, as chair of the Personnel Affairs and Remuneration Committee, she has contributed to successor planning and strengthening remuneration governance.
Director	Toshifumi Kitazawa	Mr. Kitazawa attended all 9 meetings of the Board of Directors. He stated timely opinions based on his extensive achievements and experience as a manager and his broad knowledge and experience in global business and risk management.
Director	Satoshi Tanaka	Mr. Tanaka attended all 9 meetings of the Board of Directors. He stated timely opinions based on his domestic and overseas management experience and his knowledge and experience in the energy and consumer service fields. In addition, as member of the Personnel Affairs and Remuneration Committee, he has contributed to successor planning and strengthening remuneration governance.
Audit & Supervisory Board Member	Takashi Kobayashi	Mr. Kobayashi attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board. He stated timely opinions from a legal viewpoint as a retired public prosecutor and a lawyer and based on his abundant knowledge and experience.
Audit & Supervisory Board Member	Hisako Makimura	Ms. Makimura attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board. She stated timely opinions based on her abundant knowledge and experience of Environment Studies, Sociology and other fields and her experience as a university professor and an Audit & Supervisory Board Member in another company.
Audit & Supervisory Board Member	Ryuichi Tsuruta	Mr. Tsuruta attended 12 out of 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board. He stated timely opinions based on his abundant knowledge and experience in finance, accounting, disclosure, audit, overseas business and other fields and his experience as an Audit & Supervisory Board Member in another company.
Audit & Supervisory Board Member	Yoritomo Wada	Mr. Wada attended all 9 meetings of the Board of Directors and all 9 meetings of the Audit & Supervisory Board. He stated timely opinions based on his professional knowledge of finance and accounting as a certified public accountant and his knowledge and experience as an outside officer of other companies.

- Outlines of agreement to limit Outside Director's liability and Audit & Supervisory Board Member's liability:

The Company has entered into an agreement with all Outside Directors and all Outside Audit & Supervisory Board Members that if the Outside Director or Outside Audit & Supervisory Board Member causes damages to the Company by neglect of the duty of an Outside Director or Outside Audit & Supervisory Board Member, where his/her conduct is deemed to be made in good faith without gross negligence, his/her liability is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act.

- Relationship between companies in which Outside Officers hold significant concurrent position and the Company:

Director Toshifumi Kitazawa is an Outside Director, Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. MUFG Bank, Ltd. is a major shareholder and a principal lender of the Company. There is no special relationship between companies in which Outside Officers

hold significant concurrent position as described above in “2) Directors and Audit & Supervisory Board Members, 1. Names and posts of Directors and Audit & Supervisory Board Members, Notes: 8” and the Company.

**(3) Outline of Accounting Auditor**

(i) Name Ernst & Young ShinNihon LLC

(ii) Amount of Remuneration

Category	Remuneration
The aggregate amount of remuneration payable to Accounting Auditor by the Company for the fiscal year under review	¥171 million
The aggregate amount of money and other economic benefits payable to Accounting Auditor by the Company and its consolidated companies	¥239 million

Notes:

1. The amount of remuneration for auditing made pursuant to the Companies Act and the amount of remuneration pursuant to the Financial Instrument and Exchange Act are not divided in the Auditing Agreement, which both the Company and the Accounting Auditor agreed to. Also, since it is impossible to state separately in practice, the amount represents the aggregate amount of the remuneration paid by the Company.
2. The Audit & Supervisory Board agreed on the amount of remuneration payable to the Accounting Auditor after receiving necessary materials and reports from Directors, relevant departments and the Accounting Auditor, and inspecting and discussing the appropriateness of the Accounting Auditor’s audit plan, the status of execution of the accounting audit, and the grounds for estimation of the remuneration.
3. The Company’s certain important subsidiaries, namely, Konoike Construction Co., Ltd. and overseas subsidiaries, were audited by other audit corporations.

(iii) Details of Non-Audit Service

The Company commissions the Accounting Auditor to provide advice on the promotion of ESG management, which is not any audit service specified in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(iv) Dismissal or Non-Reappointment of Accounting Auditor

If Audit & Supervisory Board of the Company finds any problem about exercise of the functions of Accounting Auditor and deems that the Accounting Auditor should be changed, Audit & Supervisory Board shall decide the content of a proposal to be submitted to the General Meeting of Shareholders for dismissal or non-reappointment of the Accounting Auditor.

If any of the dismissal causes provided by any one of the items of Article 340, Paragraph 1 of the Companies Act is applicable to the Accounting Auditor, the Audit & Supervisory Board shall dismiss the Accounting Auditor subject to the consent of all Audit & Supervisory Board Members. In such case, the Audit & Supervisory Board Members selected by the Audit & Supervisory Board will report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders held after the dismissal.

**(4) System to Ensure the Due Execution of Duties and the Status of Its Implementation**

(i) System to ensure the due execution of duties

**1. System which ensures that execution of duties by the Directors and Executive Officers complies with laws and regulations and the Articles of Incorporation of the Company**

- (1) With the aim of achieving the Corporate Philosophy of the Company and materializing corporate management that comply with laws and regulations, the Articles of Incorporation and other corporate ethics, the Company hereby sets forth the Corporate Conduct Guidelines and the Corporate Ethics Guidelines of Sekisui House Group and will strive to disseminate them to all officers and employees of the Group (the Company and its consolidated subsidiaries), including overseas subsidiaries.

- (2) The Company will provide regular training and make thorough efforts to ensure that Directors and Executive Officers comply with laws and regulations, the Articles of Incorporation and other corporate ethics.
- (3) Audit & Supervisory Board Members shall audit the execution of duties by Directors and Executive Officers in accordance with laws and regulations, and the internal rules of the Company.
- (4) The Board of Directors will supervise the execution of duties by Directors and Executive Officers, and ensure the fairness and transparency of decisions with regard to personnel and compensation matters such as appointments and dismissals, respecting the results of deliberations by the Personnel Affairs and Remuneration Committee, the majority of whose members comprises Outside Directors.
- (5) The Board of Directors of the Company shall establish the ESG Promotion Committee, which includes outside experts, and promote ESG management with the aim of contributing to the building of a sustainable society.

**2. System under which information regarding execution of duties by the Directors and Executive Officers shall be maintained and controlled**

Directors and Executive Officers shall duly maintain and control the following documents (including electronic records; the same shall apply hereinafter) and relevant materials relating to the execution of duties upon condition that Directors and Audit & Supervisory Board Members may inspect the same whenever necessary.

- i) Minutes of the general meeting of shareholders, meetings of the Board of Directors, Management Meetings, and other important meetings;
- ii) Important documents by which Directors and Executive Officers decided the execution of duties (approval documents, etc.); and
- iii) Other important documents relating to execution of duties by Directors and Executive Officers.

**3. System regarding control of risk for loss of the Company and its subsidiaries**

- (1) The Board of Directors oversees the establishment and operation of risk management systems at the Company and its subsidiaries through the Risk Management Committee established as a consultative body to the Board of Directors.
- (2) The Company shall prepare response manuals and make them known to officers and employees with regard to the risk control system to deal with natural calamity or any emergency which may cause the Company incurred material loss and damage.
- (3) The Board of Directors of the Company shall establish an Information Security Policy and establish an appropriate information asset management system in order to safely protect and manage information assets and to fulfill the trust of the Group's customers and other stakeholders.

**4. System to ensure the efficient execution of duties by the Directors of the Company or its subsidiaries**

- (1) Based on the understanding that its main role is establishing management policies, strategies and plans, the Board of Directors shall delegate decision-making on the execution of specific operations to Directors and Executive Officers where possible.
- (2) Important matters shall be brought to the Management Meeting for appropriate decision-making based on active discussions before being decided at the meetings of the Board of Directors or its subsidiaries or through the collective decision-making system.
- (3) Rules will be established and implemented for approvals through the collective decision-making system that maintain effective screenings and swift decision-making functions.
- (4) The Company and its subsidiaries shall set forth internal regulations for assignment of duties and thereby define duties and responsibilities.

**5. System to ensure that execution of duties by employees of the Company or by Directors, etc. of its subsidiaries complies with laws and regulations and the Articles of Incorporation of the Company**

- (1) The Company will make efforts to have employees of the Company or Directors, etc. of its subsidiaries understand and observe the Corporate Philosophy, the Corporate Conduct Guidelines and the Corporate Ethics Guidelines of Sekisui House Group by distributing booklets that contain these therein (including electronic methods).
  - (2) The Company will provide them with regular training to ensure compliance with laws and regulations, the Articles of Incorporation and other corporate ethics.
  - (3) Internal Audit Departments of the Company and its subsidiaries shall regularly audit the operations of the Company and its subsidiaries.
  - (4) The Company will establish internal reporting systems to report to internal or external help lines for officers and employees of the Company and its subsidiaries and of building contractor partners and other business partners who have ongoing transactions with the Group.
- 6. System under which information regarding execution of duties by the Directors, etc. of the subsidiaries shall be reported to the Company**
- (1) Department for Administrative Control of Subsidiary & Affiliated Companies will require subsidiaries to report on management status and the execution of important duties. In addition, departments specialized in subsidiaries controls will request reports as needed from subsidiaries regarding matters they are in charge of.
  - (2) Subsidiaries shall report information regarding management status and execution of important duties, through the Directors or Audit & Supervisory Board Members dispatched from the Company.
  - (3) Subsidiaries shall report to the Company immediately in an emergency.
- 7. Matters related to employees who assist duties of Audit & Supervisory Board Members and matters related to the independence of these employees from Directors**
- (1) The Company shall set up the Office of Audit & Supervisory Board Members to support the duties of Audit & Supervisory Board Members and allocate several staff members including full-time one(s).
  - (2) Selection of employees, etc. for Office of Audit & Supervisory Board Members shall be determined upon respecting intention of Audit & Supervisory Board Members and mutual consultation.
  - (3) Employees assigned concurrently to the Office of Audit & Supervisory Board Members shall maintain their independence to ensure they are kept outside line of control or orders of their own departments in terms of their duties at the Office of Audit & Supervisory Board Members and personnel treatment of these employees shall respect the opinions of Audit & Supervisory Board Members.
- 8. System under which Directors and employees report to Audit & Supervisory Board Members**
- (1) The Directors and the Executive Officers shall from time to time report the status of execution of duties at the meeting of the Board of Directors and other important meeting which the Audit & Supervisory Board Members attend.
  - (2) The Directors, the Executive Officers and the employees shall immediately report to the Audit & Supervisory Board Members whenever finding any fact which might cause material loss and damage to the Company or its subsidiaries.
  - (3) The secretariat of the internal reporting system shall immediately report to the Audit & Supervisory Board Members of the Company whenever receiving any report of the fact which might cause material loss and damage to the Company or its subsidiaries.
  - (4) Persons who report according to the preceding two paragraphs or who make an internal report shall not be treated disadvantageously due to such report by the Company and its subsidiaries.
  - (5) Approval documents, minutes of important meetings such as the Board of Directors meetings, audit report prepared by the Internal Audit Department, and other important documents related to audit of Audit & Supervisory Board Members shall be forwarded to Audit & Supervisory Board Members.

**9. Matters concerning policies for procedure for the expenses or liabilities incurred for the execution of duties by the Audit & Supervisory Board Members**

The Company shall handle promptly when Audit & Supervisory Board Members demand prepayment or reimbursement of the expenses or liabilities incurred for the execution of duties excluding when the expenses or liabilities are proved to be unnecessary for the execution of duties.

**10. Other system under which audit by Audit & Supervisory Board Members is ensured to efficiently to be performed**

(1) Audit & Supervisory Board Members and the Internal Audit Department shall keep close to each other through exchange of opinions and cooperate with each other so that audit by each body shall be conducted efficiently and effectively.

(2) Audit & Supervisory Board Members and Accounting Auditor shall have meetings regularly and cooperate with each other so that audit duties of each shall be conducted efficiently and effectively.

**(ii) The status of the system to ensure the due execution of duties**

**(1) Initiatives for compliance and risk management**

- The Company makes efforts to have officers and employees of the Company and its subsidiaries understand and observe the Corporate Philosophy, the Conduct Code, the Corporate Conduct Guidelines and the Corporate Ethics Guidelines of Sekisui House Group by distributing booklets that contain these therein (including electronic methods).
- The Company holds regular training sessions on compliance and risk management for officers and employees of the Company and its subsidiaries.
- The Risk Management Committee identifies priority risk themes, summarizes and verifies the status of risk management systems in each division, provides necessary advice, and reports these activities to the Board of Directors. During the fiscal year under review, meetings of the Risk Management Committee were convened 10 times.
- As the internal reporting system for whistleblowers to report to internal or external help lines, the Company has set up Sekisui House Group Company Ethics Helpline, Sekisui House Group Business Partners Company Ethics Helpline and Sekisui House Global Helpline for overseas subsidiaries.

**(2) Initiatives for ensuring efficient execution of duties**

- With the aim of ensuring flexible business execution and clarifying operational responsibilities, the Company has introduced an Executive Officer System.
- Meetings of the Board of Directors are convened monthly in principle, and meetings were held 13 times during the fiscal year under review.
- Important matters are brought to the Management Meeting for appropriate decision-making based on active discussions before approvals at the meetings of the Board of Directors or through the collective decision-making system. During the fiscal year under review, the Management Meeting was held eight times.

**(3) Initiatives to ensure the due execution of duties in the Group**

- The Department for Administrative Control of Subsidiary & Affiliated Companies requires irregular or regular reporting of the status of the business execution of each subsidiary and develops operational and other standards in collaboration with each department.
- Each department of the Company guides and supervises the subsidiaries, and the Company dispatches Directors or Audit & Supervisory Board Members to supervise and audit the execution of duties of some subsidiaries.

**(4) Audit by the Audit & Supervisory Board Members**

- The Audit & Supervisory Board establishes the audit plan and systematically carries out interviews with Directors, Executive Officers, heads of main branches, and Directors of subsidiaries, etc., concerning risks and issues of their respective operations,

based on the audit plan. Also, it conducts field audits of each branch as needed.

- The Audit & Supervisory Board Members keep close contact with the Internal Audit Department through exchange of opinions and meet Accounting Auditor regularly, and these three parties cooperate with each other so that audit by each party shall be conducted efficiently and effectively.
- As a system for assisting Audit & Supervisory Board Members in their duties, the Company has established the Office of Audit & Supervisory Board Members and allocate several staff members including full-time one(s), and they do the necessary for Audit & Supervisory Board Members to execute duties such as management of the meetings of Audit & Supervisory Board and demands of audit report.

Note:

Amounts of the Business Report are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

**(Reference) Corporate Governance System**

**(i) Basic Concept of Corporate Governance**

In accordance with the Corporate Philosophy espousing the underpinning philosophy of “Love of Humanity” that embraces “Truth and Trust,” “Superior Quality and Leading Technology” and “Comfortable Housing and Ecologically Sound Communities,” the Group considers corporate governance as one of the major management challenges. The Group has improved the effectiveness of its corporate governance to increase the corporate value while sustainably earning the trust of shareholders, investors and other all stakeholders, and has put in place a system that enables speedy management marked with integrity.

The Company discloses to its stakeholders “Sekisui House, Ltd. Basic Policy on Corporate Governance,” in which the fundamental concept and the framework of the Company’s corporate governance is established.

The Company has positioned 2018 as “the Year One of Governance Reforms” and, beginning with “Six Items for Strengthening Its Corporate Governance System” as specific measures, the Company is steadily implementing various measures in order to build a resilient management base for its long-term and sustainable enhancement of the corporate value.

Going forward, the Board of Directors of the Company will review and assess the Basic Policy continuously and regularly, in order to further deepen and enhance the Company’s corporate governance.

**(ii) Board of Directors**

The Board of Directors consists of twelve Directors including four Outside Directors (three male Directors and one female Director) and meet once per month in principle. In order to increase the corporate value of the Company over the medium- and long-term, the Board of Directors has the responsibility to develop business policies and strategies and management plans, make decisions on important business execution, and establish systems, etc. for securing the sound management of the Company such as the supervision and evaluation of the duties performed by Directors and Executive Officers, internal control systems and risk management systems.

In order to facilitate constructive discussions and exchanges of opinions in the meetings of the Board of Directors, one of the Directors shall not act in principle both as the chairperson and the convener of the meetings of the Board of Directors. Therefore, Vice Chairman & Representative Director of the Company (Mr. Shiro Inagaki) serves as the chairperson and President & Representative Director (Mr. Yoshihiro Nakai) serves as the convener.

In addition, as a system to assist Outside Directors in their duties, the Company has established the Office of Directors and assigned several employees to it.

**(iii) Audit & Supervisory Board**

The Audit & Supervisory Board consists of six members including four Outside Audit & Supervisory Board Members (three male Members and one female Member). The Board establishes the audit plan and systematically carries out interviews with Directors, Executive Officers, heads of main branches, and Directors of subsidiaries, etc., concerning risks and issues of their respective operations, based on the audit plan. Also, it conducts field audits of each branch as needed. In addition, Audit & Supervisory Board members exchange opinions and work in close coordination with the Internal Audit Department, hold regular meetings with the Accounting Auditor and engages in mutual cooperation to ensure all audit activities are carried out efficiently and effectively.

The Office of Audit & Supervisory Board Members was established as a dedicated organization to which several employees including full-time staff are allocated for assisting Audit & Supervisory Board operations.

**(iv) Personnel Affairs and Remuneration Committee**

As a consultative body to the Board of Directors, the Personnel Affairs and Remuneration Committee provides opinions on matters relating to personnel affairs and remunerations of the Directors and Executive Officers to ensure fairness and transparency.

The committee is chaired by an Independent Outside Director, and the majority of the committee members are Independent Outside Directors. The Committee currently consists of two Representative Directors and three Independent Outside Directors and Ms. Yukiko Yoshimaru serves as the Chairperson of the Committee.

**(v) ESG Promotion Committee**

The Company has defined “making home the happiest place in the world” as its global vision, and to achieve this vision, the Company aims to become a leading company in ESG (environmental, social and governance) management.

The ESG Promotion Committee consists of two or more outside committee members with expert knowledge, Internal Directors, Executive Officers, and managers, etc., and the Committee enhances the effectiveness of ESG efforts through means such as exchanging opinions on the progress of ESG management initiatives and issues.

In addition, the Company has established the ESG Management Promotion Headquarters, which works to further promote ESG management based on discussions at the ESG Promotion Committee and in cooperation within the Company and with domestic and overseas Group companies. We disclose the details of our efforts by issuing the Integrated Report and the Sustainability Report every year.

**(vi) Management Meeting**

The Management Meeting was established with the aim of facilitating appropriate decision-making within the execution of important business matters through the vigorous exchange of opinions from the standpoint of appropriateness with respect to management policies and strategies before approvals at the meetings of the Board of Directors or through the collective decision making system regarding vital matters including important investment conditions and the formulation of Group-wide management policies, strategies and plans. Internal Directors and Standing Audit & Supervisory Board Members attend the meetings, but Outside Directors or Outside Audit & Supervisory Board Members can also attend the meetings, if they wish.

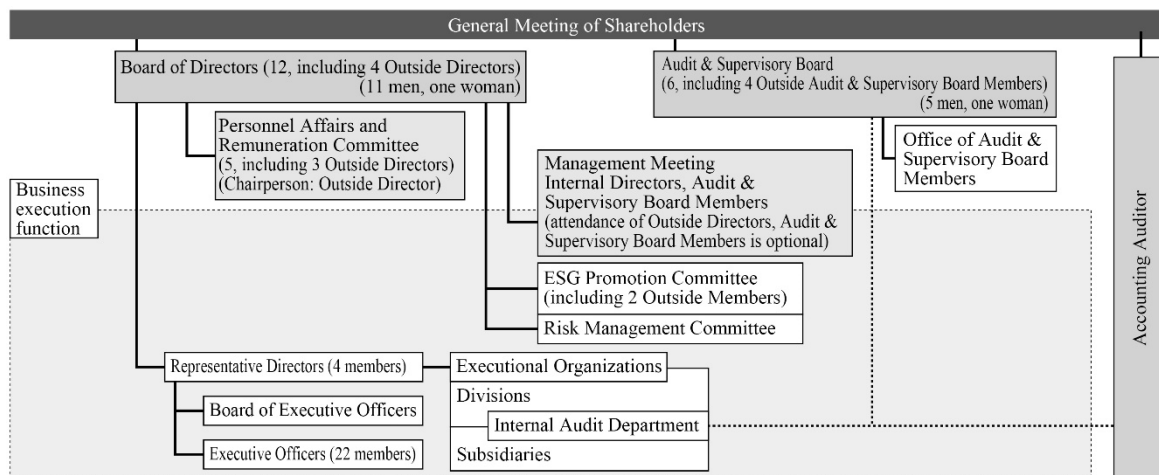
**(vii) Risk Management Committee**

Headed by the Executive Vice President (Mr. Takashi Uchida), as a consultative body to the Board of Directors, the Risk Management Committee creates appropriate risk management systems and provides opinions to the Board of Directors on matters relating to the maintenance of risk management systems with the aim of ensuring effective operating conditions.



The Committee monitors the main divisions etc., regarding issues such as governance, human resources and labor management, compliance, quality control, security, and BCP, and it also keeps abreast of and verifies the operational status of risk management systems for the entire Group, including those in Japan and overseas in each division.

**Corporate Governance System as of January 31, 2021**



**(Reference) Basic stance for cross-shareholdings**

- (i) The Company shall not enter into cross-shareholdings with business partners unless the Company determines that it will be helpful to medium- and long-term increases in the corporate value through the stable maintenance and strengthening of relationships with those business partners. In addition, the Company shall comprehensively verify the economic rationality of transactions with parties of cross-shareholdings, to determine if it will continue these transactions.
- (ii) The Company shall analyze the appropriateness of cross-shareholdings at the meeting of the Board of Directors based on the minimum holdings required from a perspective of increasing capital and asset efficiency each year. At the meeting of the Board of Directors, members shall comprehensively analyze the medium- and long-term economic rationality of each individual stock based on holding purposes and risk and return. As a result, the Company shall sell any stock which is no longer meaningful to continue holding after considering the market environment. Even for stocks considered appropriate to hold, the Company may sell all or some shares after considering its capital policies and the market environment.
- (iii) An overview of the analysis at the meeting of the Board of Directors regarding cross-shareholding shall be disclosed as appropriate in the reports related to corporate governance.
- (iv) If companies holding the Company stock as cross-shareholdings express an intention to sell such shares, the Company shall not prevent the sale in any way by, for example, insinuating a reduction in their business relationship.

<Overview of the verification with regard to cross-shareholdings>

At the meeting of the Board of Directors held in July 2020, the Company analyzed all listed stocks it holds as cross-shareholding (for 32 different companies excluding Sekisui House Reit, Inc. and companies to which equity method of accounting is applied) in terms of overall significance of owning them based on the status of shareholding, risk and return (stock price divergence, dividend yields, ratings, etc.), importance of transactions. Based on the analysis results, the Company has sold all shares of eight companies and a portion of shares of a specific company by January 31, 2021.

**The Consolidated Financial Statements for the 70<sup>th</sup> fiscal year**

<b>CONSOLIDATED BALANCE SHEETS</b>			
As of January 31, 2021			
<i>Millions of yen</i>			
Assets	2,625,861	Liabilities	1,256,974
<b>Current assets</b>	<b>1,780,711</b>	<b>Current liabilities</b>	<b>835,763</b>
Cash and deposits	600,284	Notes payable, accounts payable for construction contracts	104,972
Notes receivable, accounts receivable from completed construction contracts	144,253	Electronically recorded obligations-operating	97,780
Costs on uncompleted construction contracts	16,451	Short-term loans payable	166,019
Buildings for sale	341,721	Current portion of bonds	30,000
Land for sale in lots	495,950	Current portion of long-term loans payable	56,520
Undeveloped land for sale	86,290	Income taxes payable	29,704
Other inventories	7,333	Advances received on uncompleted construction contracts	208,750
Other	89,500	Provision for bonuses	26,105
Allowance for doubtful accounts	(1,073)	Provision for directors' bonuses	1,258
		Provision for warranties for completed construction	3,164
		Other	111,485
<b>Noncurrent assets</b>	<b>845,150</b>	<b>Noncurrent liabilities</b>	<b>421,211</b>
<b>Property, plant and equipment</b>	<b>535,393</b>	Bonds payable	170,000
Buildings and structures	186,720	Long-term loans payable	132,665
Machinery, equipment and vehicles	9,061	Long-term lease and guarantee deposited	59,169
Tools, furniture and fixtures	7,161	Deferred tax liabilities	364
Land	287,307	Provision for directors' retirement benefits	857
Lease assets	2,625	Net defined benefit liability	43,011
Construction in progress	42,516	Other	15,142
<b>Intangible assets</b>	<b>19,727</b>	<b>Net assets</b>	<b>1,368,887</b>
Goodwill	1,575	<b>Shareholders' equity</b>	<b>1,294,682</b>
Industrial property	105	<b>Capital stock</b>	<b>202,591</b>
Leasehold right	4,172	<b>Capital surplus</b>	<b>258,989</b>
Software	13,327	<b>Retained earnings</b>	<b>839,985</b>
Telephone subscription right	320	<b>Treasury stock</b>	<b>(6,883)</b>
Right of using facilities	168	<b>Accumulated other comprehensive income</b>	<b>31,852</b>
Other	57	<b>Valuation difference on available-for-sale securities</b>	<b>40,174</b>
<b>Investments and other assets</b>	<b>290,029</b>	<b>Deferred gains or losses on hedges</b>	<b>(45)</b>
Investment securities	180,570	<b>Foreign currency translation adjustment</b>	<b>2,355</b>
Long-term loans receivable	18,952	<b>Remeasurements of defined benefit plans</b>	<b>(10,631)</b>
Net defined benefit asset	1,381	<b>Stock acquisition rights</b>	<b>508</b>
Deferred tax assets	24,597	<b>Non-controlling interests</b>	<b>41,842</b>
Other	65,026		
Allowance for doubtful accounts	(498)		
<b>Total assets</b>	<b>2,625,861</b>	<b>Total liabilities and net assets</b>	<b>2,625,861</b>

<b>CONSOLIDATED STATEMENTS OF INCOME</b>	
From February 1, 2020 to January 31, 2021	
<i>Millions of yen</i>	
<b>Net sales</b>	<b>2,446,904</b>
<b>Cost of sales</b>	<b>1,973,393</b>
<b>Gross profit</b>	<b>473,511</b>
<b>Selling, general and administrative expenses</b>	<b>286,992</b>
<b>Operating income</b>	<b>186,519</b>
<b>Non-operating income</b>	<b>8,867</b>
Interest and dividends income	4,939
Equity in earnings of affiliates	619
Other	3,308
<b>Non-operating expenses</b>	<b>10,688</b>
Interest expenses	2,769
Other	7,919
<b>Ordinary income</b>	<b>184,697</b>
<b>Extraordinary income</b>	<b>3,594</b>
Gain on sales of investment securities	3,594
<b>Extraordinary loss</b>	<b>2,798</b>
Loss on sales or disposal of fixed assets	1,319
Loss related to COVID-19	615
Loss on valuation of investment securities	490
Loss on impairment of fixed assets	356
Loss on sales of investment securities	16
<b>Income before income taxes</b>	<b>185,494</b>
<b>Total income taxes</b>	<b>56,070</b>
Income taxes-current	57,091
Income taxes-deferred	(1,021)
<b>Net income</b>	<b>129,423</b>
Net income attributable to non-controlling interests	5,881
<b>Net income attributable to owners of parent</b>	<b>123,542</b>

**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

(From February 1, 2020 to January 31, 2021)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of current period	202,591	258,994	786,591	(13,668)	1,234,509
Changes of items during the period					
Dividends from surplus	—	—	(58,726)	—	(58,726)
Net income attributable to owners of parent	—	—	123,542	—	123,542
Purchase of treasury stock	—	—	—	(5,010)	(5,010)
Disposal of treasury stock	—	—	(99)	472	373
Cancellation of treasury stock	—	—	(11,323)	11,323	—
Purchase of shares of consolidated subsidiaries	—	(3)	—	—	(3)
Change in ownership interest of parent due to transactions with non-controlling interests	—	(1)	—	—	(1)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	—	(4)	53,393	6,784	60,173
Balance at the end of current period	202,591	258,989	839,985	(6,883)	1,294,682

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	39,894	(60)	11,174	(19,322)	31,686	609	40,044	1,306,850
Changes of items during the period								
Dividends from surplus	—	—	—	—	—	—	—	(58,726)
Net income attributable to owners of parent	—	—	—	—	—	—	—	123,542
Purchase of treasury stock	—	—	—	—	—	—	—	(5,010)
Disposal of treasury stock	—	—	—	—	—	—	—	373
Cancellation of treasury stock	—	—	—	—	—	—	—	—
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	—	—	(3)
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	—	(1)
Net changes of items other than shareholders' equity	279	14	(8,819)	8,691	165	(100)	1,797	1,863
Total changes of items during the period	279	14	(8,819)	8,691	165	(100)	1,797	62,036
Balance at the end of current period	40,174	(45)	2,355	(10,631)	31,852	508	41,842	1,368,887

Note:

Amounts of the Consolidated Balance Sheets, Consolidated Statements of Income and Consolidated Statements of Changes in Net Assets are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

**The Non-Consolidated Financial Statements for the 70<sup>th</sup> fiscal year**

<b>NON-CONSOLIDATED BALANCE SHEETS</b>			
(As of January 31, 2021)			
<i>Millions of yen</i>			
<b>Assets</b>	<b>1,602,411</b>	<b>Liabilities</b>	<b>727,304</b>
<b>Current assets</b>	<b>569,791</b>	<b>Current liabilities</b>	<b>517,572</b>
Cash and deposits	249,597	Notes payable-trade	4,526
Notes receivable-trade	152	Electronically recorded obligations-operating	53,662
Accounts receivable from completed construction contracts	29,924	Accounts payable-trade	16,608
Accounts receivable-real estate business	2,846	Accounts payable for construction contracts	35,605
Costs on uncompleted construction contracts	2,244	Current portion of bonds	30,000
Buildings for sale	53,333	Current portion of long-term loans payable	25,000
Land for sale in lots	163,149	Lease obligations	370
Undeveloped land for sale	30,384	Accounts payable-other	3,096
Semi-finished goods and work in process	3,468	Accrued expenses	13,091
Raw materials and supplies	2,956	Income taxes payable	13,321
Advance payments-trade	673	Accrued consumption taxes	11,075
Prepaid expenses	6,970	Advances received on uncompleted construction contracts	71,273
Short-term loans receivable	5,233	Advances received	11,309
Accounts receivable-other	12,623	Deposits received	208,136
Other	6,948	Provision for bonuses	16,576
Allowance for doubtful accounts	(715)	Provision for directors' bonuses	320
<b>Noncurrent assets</b>	<b>1,032,620</b>	Provision for warranties for completed construction	2,387
<b>Property, plant and equipment</b>	<b>392,175</b>	Asset retirement obligations	700
Buildings	95,749	Other	510
Structures	3,504	<b>Noncurrent liabilities</b>	<b>209,731</b>
Machinery and equipment	6,285	Bonds payable	170,000
Vehicles	55	Lease obligations	796
Tools, furniture and fixtures	3,826	Long-term lease and guarantee deposited	13,661
Land	243,266	Provision for retirement benefits	20,501
Lease assets	1,022	Asset retirement obligations	810
Construction in progress	38,465	Other	3,961
<b>Intangible assets</b>	<b>14,054</b>	<b>Net assets</b>	<b>875,107</b>
Industrial property	17	<b>Shareholders' equity</b>	<b>833,972</b>
Leasehold right	1,608	<b>Capital stock</b>	<b>202,591</b>
Software	12,238	<b>Capital surplus</b>	<b>258,344</b>
Lease assets	38	Legal capital surplus	258,344
Right of using facilities	40	<b>Retained earnings</b>	<b>379,750</b>
Telephone subscription right	111	Legal retained earnings	23,128
<b>Investments and other assets</b>	<b>626,390</b>	Other retained earnings	356,621
Investment securities	93,875	Reserve for dividends	18,000
Stocks of subsidiaries and associates	453,674	General reserve	260,800
Investments in other securities of subsidiaries and associates	18,770	Retained earnings brought forward	77,821
Long-term loans receivable	27,026	<b>Treasury stock</b>	<b>(6,713)</b>
Lease and guarantee deposits	19,806	<b>Valuation and translation adjustments</b>	<b>40,626</b>
Long-term prepaid expenses	879	<b>Valuation difference on available-for-sale securities</b>	<b>40,626</b>
Prepaid pension costs	44	<b>Stock acquisition rights</b>	<b>508</b>
Deferred tax assets	7,401		
Other	11,003		
Allowance for doubtful accounts	(6,092)		
<b>Total assets</b>	<b>1,602,411</b>	<b>Total liabilities and net assets</b>	<b>1,602,411</b>

<b>NON-CONSOLIDATED STATEMENTS OF INCOME</b>	
From February 1, 2020 to January 31, 2021	
<i>Millions of yen</i>	
<b>Net sales</b>	<b>1,055,305</b>
Completed construction contracts	860,068
Real estate business	195,237
<b>Cost of sales</b>	<b>832,130</b>
Completed construction contracts	673,149
Real estate business	158,980
<b>Gross profit</b>	<b>223,175</b>
Gross profit from completed construction contracts	186,918
Gross profit from real estate business	36,256
<b>Selling, general and administrative expenses</b>	<b>161,214</b>
<b>Operating income</b>	<b>61,961</b>
<b>Non-operating income</b>	<b>34,570</b>
Interest and dividends income	31,593
Other	2,976
<b>Non-operating expenses</b>	<b>8,117</b>
Interest expenses	60
Interest on bonds	1,066
Loss on business of subsidiaries and associates	2,738
Other	4,251
<b>Ordinary income</b>	<b>88,414</b>
<b>Extraordinary income</b>	<b>3,574</b>
Gain on sales of investment securities	3,574
<b>Extraordinary loss</b>	<b>4,163</b>
Loss on valuation of shares of subsidiaries and associates	2,886
Loss on sales or disposal of fixed assets	887
Loss related to COVID-19	336
Loss on impairment of fixed assets	43
Loss on sales of investment securities	9
<b>Income before income taxes</b>	<b>87,825</b>
<b>Total income taxes</b>	<b>17,824</b>
Income taxes-current	18,334
Income taxes-deferred	(510)
<b>Net income</b>	<b>70,001</b>

**NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

(From February 1, 2020 to January 31, 2021)

Millions of yen

	Shareholders' equity								
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings				
					Reserve for dividends	Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	202,591	258,344	258,344	23,128	18,000	170	270,800	67,798	379,897
Changes of items during the period									
Dividends from surplus	—	—	—	—	—	—	—	(58,726)	(58,726)
Reversal of reserve for special depreciation	—	—	—	—	—	(170)	—	170	—
Net income	—	—	—	—	—	—	—	70,001	70,001
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	—	—	—	—	—	(99)	(99)
Cancellation of treasury stock	—	—	—	—	—	—	—	(11,323)	(11,323)
Reversal of general reserves	—	—	—	—	—	—	(10,000)	10,000	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	—	(170)	(10,000)	10,023	(147)
Balance at the end of current period	202,591	258,344	258,344	23,128	18,000	—	260,800	77,821	379,750

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock	Total	Valuation difference on available-for-sale securities	Total		
Changes of items during the period						
Dividends from surplus	—	(58,726)	—	—	—	(58,726)
Reversal of reserve for special depreciation	—	—	—	—	—	—
Net income	—	70,001	—	—	—	70,001
Purchase of treasury stock	(5,010)	(5,010)	—	—	—	(5,010)
Disposal of treasury stock	461	362	—	—	—	362
Cancellation of treasury stock	11,323	—	—	—	—	—
Reversal of general reserves	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	1,299	1,299	(100)	1,198
Total changes of items during the period	6,774	6,626	1,299	1,299	(100)	7,825
Balance at the end of current period	(6,713)	833,972	40,626	40,626	508	875,107

Note:

Amounts of the Non-Consolidated Balance Sheets, Non-Consolidated Statements of Income and Non-Consolidated Statements of Changes in Net Assets are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.



REPORT OF INDEPENDENT AUDITOR

March 11, 2021

The Board of Directors  
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC  
Osaka office  
Shin Ichinose  
Designated and Engagement Partner  
Certified Public Accountant  
Yasuhiro Kozaki  
Designated and Engagement Partner  
Certified Public Accountant  
Yusaku Iriyama  
Designated and Engagement Partner  
Certified Public Accountant

*Opinion*

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying Consolidated Financial Statements, which comprise the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements of Sekisui House, Ltd. (the "Company") applicable to the fiscal year from February 1, 2020 through January 31, 2021.

In our opinion, the Consolidated Financial Statements referred to above present fairly in all material respects, the financial position and results of operations of the Sekisui House Group, which consists of the Company and its consolidated subsidiaries in conformity with accounting principles generally accepted in Japan.

*Basis for the Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for evaluating whether it is appropriate to prepare the Consolidated Financial Statements in accordance with the assumption of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising execution of duties by Directors related to designing and operating the financial reporting process.

*Auditor's Responsibility for the Audit of the Consolidated Financial Statements*

Our responsibility is to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Consolidated Financial Statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users made on the basis of the Consolidated Financial Statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Consolidated Financial Statements on the assumption of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the assumption of a going concern, the auditor is required to call attention to the Notes to the Consolidated Financial Statements in the audit report, or if the Notes to the Consolidated Financial Statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Consolidated Financial Statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides evaluating whether the presentation of and notes to the Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, evaluate the presentation, structure, and content of the Consolidated Financial Statements including related notes, and whether the Consolidated Financial Statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the Consolidated Financial Statements. The auditor is responsible for instructing, supervising, and implementing the audit of the Consolidated Financial Statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of the independence provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

*Conflicts of Interest*

We have no interest in the Company or its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

- End -

REPORT OF INDEPENDENT AUDITOR

March 11, 2021

The Board of Directors  
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC  
Osaka office  
Shin Ichinose  
Designated and Engagement Partner  
Certified Public Accountant  
Yasuhiro Kozaki  
Designated and Engagement Partner  
Certified Public Accountant  
Yusaku Iriyama  
Designated and Engagement Partner  
Certified Public Accountant

*Opinion*

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying Non-Consolidated Financial Statements, which comprise the Non-Consolidated Balance Sheets, the Non-Consolidated Statements of Income, the Non-Consolidated Statement of Changes in Net Assets, the Notes to the Non-Consolidated Financial Statements and the related supplementary schedules (the "Non-Consolidated Financial Statements, etc.") of Sekisui House, Ltd. (the "Company") applicable to the 70th fiscal year from February 1, 2020 through January 31, 2021.

In our opinion, the Non-Consolidated Financial Statements, etc. referred to above present fairly in all material respects, the financial position and results of operations of the Company in conformity with accounting principles generally accepted in Japan.

*Basis for the Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements, etc." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-Consolidated Financial Statements, etc.*

Management is responsible for the preparation and fair presentation of the Non-Consolidated Financial Statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Non-Consolidated Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Non-Consolidated Financial Statements, etc., management is responsible for evaluating whether it is appropriate to prepare the Non-Consolidated Financial Statements, etc. in accordance with the assumption of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising execution of duties by Directors related to designing and operating the financial reporting process.

*Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements, etc.*

Our responsibility is to obtain reasonable assurance about whether the Non-Consolidated Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Non-Consolidated Financial Statements, etc. from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users made on the basis of the Non-Consolidated Financial Statements, etc.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control.

- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Non-Consolidated Financial Statements, etc. on the assumption of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the assumption of a going concern, the auditor is required to call attention to the Notes to the Non-Consolidated Financial Statements, etc. in the audit report, or if the Notes to the Non-Consolidated Financial Statements, etc. pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Non-Consolidated Financial Statements, etc. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides evaluating whether the presentation of and notes to the Non-Consolidated Financial Statements, etc. are in accordance with accounting principles generally accepted in Japan, evaluate the presentation, structure, and content of the Non-Consolidated Financial Statements, etc. including related notes, and whether the Non-Consolidated Financial Statements, etc. fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of the independence provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

- End -

## AUDIT REPORT

The Audit & Supervisory Board prepared this audit report based on audit reports prepared by each Audit & Supervisory Board Member upon deliberation with respect to execution of duties by Directors for the 70th fiscal year (February 1, 2020 to January 31, 2021) and report as follows:

### 1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board determined audit policy, audit plan and duties assigned to each Audit & Supervisory Board Member, received reports and explanations on the audit and result of audit from each Audit & Supervisory Board Member, received reports on the execution of duties of Directors and Accounting Auditor and requested additional explanations as necessary.
- (2) Each Audit & Supervisory Board Member, in conformity with standards of audit determined by the Audit & Supervisory Board, in accordance with the audit policy and audit plan set up and the duties assigned by the Audit & Supervisory Board Member, and by utilizing means via the Internet, etc., made efforts to communicate with Directors, Executive Officers, Audit Department and other employees, collect information and prepare and arrange for circumstances for audit and audited in the following method.
  - i) We attended meetings of the Board of Directors and other meetings as deemed important, received reports from the Directors and Executive Officers, etc. on their performance of duties, requested additional explanation as necessary, examined important approval documents and inspected the business and financial conditions at the head office and the principal offices. With respect to subsidiaries, we communicated and exchanged information with the Directors and Audit & Supervisory Board Members of the subsidiaries and received reports as necessary.
  - ii) With respect to the resolutions of the Board of Directors relating to establishment of the system that ensures the performance of duties by Directors described in the Business Report is in conformity with laws and regulations, and the Articles of Incorporation and other systems that ensure appropriate business of the Corporate Group made of the Company and its subsidiaries as required under Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act, as well as the system established under such resolutions (internal control system), we received reports from the Directors and Executive Officers, etc. the conditions of construction and management of them, and requested additional explanation as necessary and gave opinions.
  - iii) We supervised and examined that the Accounting Auditor maintained their independent position and performed due audit, received reports from the Accounting Auditor on the execution of their duties, and requested additional explanation as necessary. We received a notice from the Accounting Auditor that they have prepared the "System to ensure due execution of audit" (matters prescribed in each item of Article 131 of the Regulation on Corporate Accounting) in accordance with, among other things, the "Quality Control Standard for Audit" (Business Accounting Council, October 28, 2005) and requested additional explanation as necessary.

In accordance with the method stated above, the Audit & Supervisory Board examined the Business Report and the related supplementary schedules, the Non-Consolidated Financial Statements (the Non-Consolidated Balance Sheets, the Non-Consolidated Statement of Income, the Statement of Change in Net Assets and the Notes to Non-Consolidated Financial Statements) and the related supplementary schedules, and the Consolidated Financial Statements (the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets and the Notes to Consolidated Financial Statements) for the fiscal year under review.

### 2. Results of Audit

- (1) Results of audit of Business Report, etc.:
  - i) We confirmed that the Business Report and the related supplementary schedules fairly show the position of the Company, in conformity with the relevant laws and regulations and the Articles of Incorporation.
  - ii) We do not find any unlawful acts to have been carried out by the Directors in the performance of their duties, nor do we find any material matters that are either unlawful or contrary to the Articles of Incorporation.
  - iii) We confirmed that the resolutions of the Board of Directors relating to the internal control system are fair. We do not find any aspects to be pointed out for the contents in the Business Report and the Directors' performance of duties relating to the internal control system.
- (2) Results of audit of the Non-Consolidated Financial Statements and the related supplementary schedules:

We confirmed that the method and the result of the audit carried out by Ernst & Young ShinNihon LLC, Accounting Auditor, are fair.
- (3) Results of audit of the Consolidated Financial Statements:

We confirmed that the method and the result of the audit carried out by Ernst & Young ShinNihon LLC, Accounting Auditor, are fair.

March 18, 2021

Audit & Supervisory Board of Sekisui House, Ltd.

Standing Audit & Supervisory Board Member	Haruyuki Iwata
Standing Audit & Supervisory Board Member	Hisao Yamada
Audit & Supervisory Board Member	Takashi Kobayashi
Audit & Supervisory Board Member	Hisako Makimura
Audit & Supervisory Board Member	Ryuichi Tsuruta
Audit & Supervisory Board Member	Yoritomo Wada

- End -

## Request for Cooperation to Prevent the Spread of COVID-19

### ■ Request for cooperation from shareholders

- You may exercise your voting rights in writing or via the Internet. Please exercise your voting rights in writing or via the Internet as much as possible.

(For details, please refer to pages 1 and 2 of this Notice.)

- Shareholders who plan to attend the General Meeting of Shareholders are requested to pay attention to their health condition up to the day of the meeting and refrain from attending the meeting if they have a cold or other health issues.
- Please consider not attending the General Meeting of Shareholders if you are elderly, have an underlying medical condition, or are pregnant.
- Shareholders attending the meeting are requested to wear masks and use disinfectant.

### ■ Response by the Company

- The administrative staff will wear masks after we conduct a temperature check and check on their physical condition in advance.
- Disinfectant dispensers will be placed throughout the venue.
- No tickets will be distributed for the Kuchu Teien Observatory and Koji Kinutani Tenku Art Museum, and no beverages will be served.
- The number of seats for shareholders will be greatly reduced due to the spacing of the seats.
- There will be no display area for our catalogs and other materials.

Any changes in the operation of the General Meeting of Shareholders will be posted on the Company's website.

**<https://www.sekisuihouse.co.jp/english/company/financial/holders/meeting/index.html>**